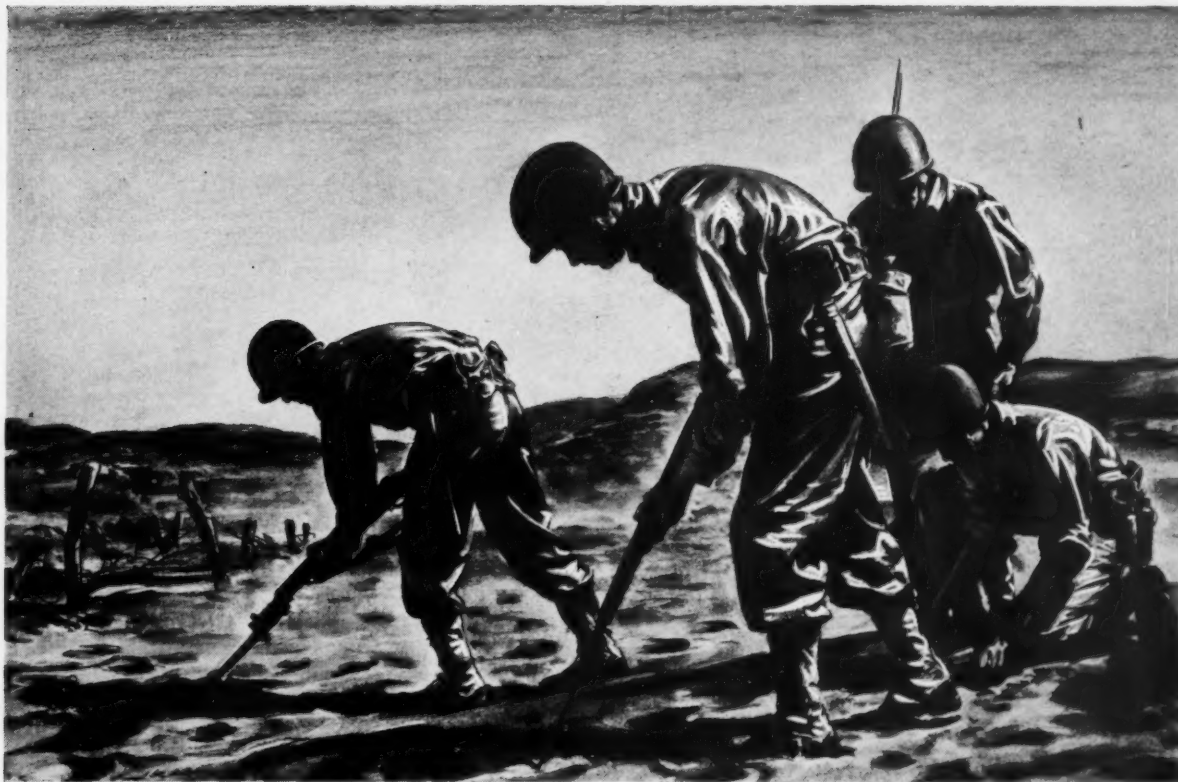


# *The* NATIONAL UNDERWRITER



## *Probing for Hidden Dangers...*

VICTORY in battle may hinge on the spadework of engineer crews who must unearth and clear deadly land mines before troops can move forward. Here at home, other engineers make a peaceful career of probing for hidden dangers, thus performing an invaluable service to homeowners and businessmen.

Called "Fire Prevention Engineers," they work in crews of three, ceaselessly searching through our cities for fire hazards, such as perhaps a faulty hydrant, an out-of-order alarm system or a concealed, urban "fire trap."

The casual passer-by doesn't look twice as these engineers proceed with their prosaic work. Yet often they avert disaster. Were they less vigilant, some war assembly lines, some warehouses and docks filled with vital foodstuffs might now be ashes.

Providing this community inspection service is another contribution to the national welfare by Fire Insurance Companies. It is part of a nationwide campaign of vigilance against destruction by fire, as a result of which the average cost of fire insurance has been reduced by 35% in the past 30 years.

A Comprehensive  Reinsurance Service

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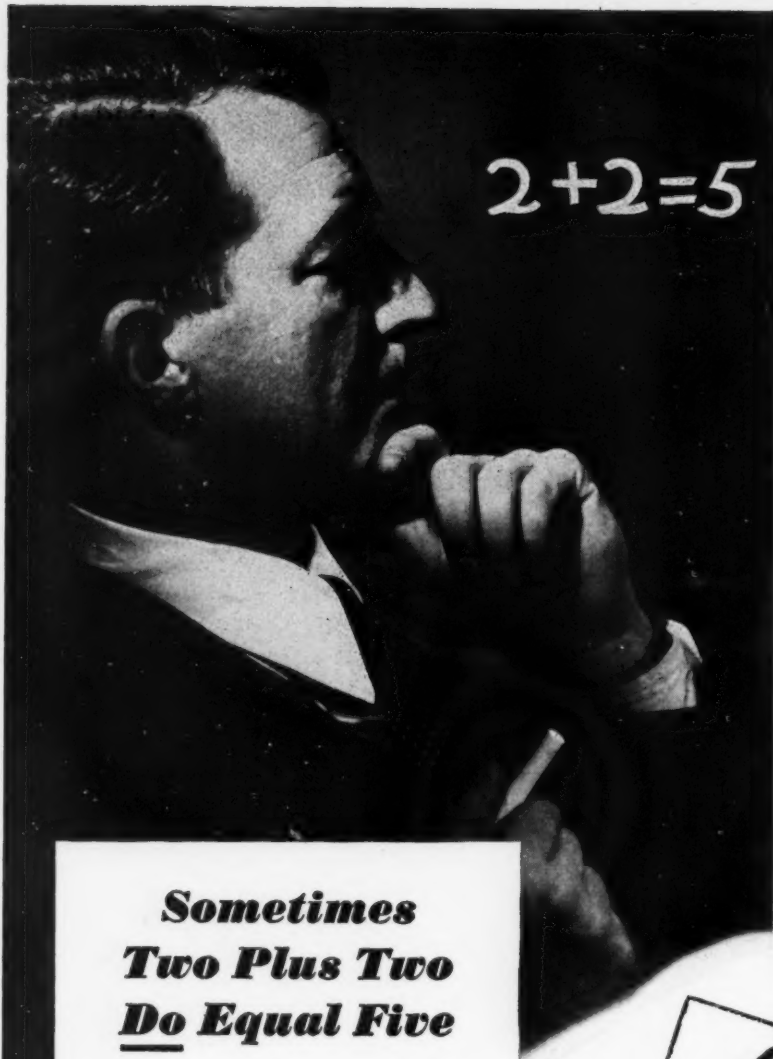
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**THURSDAY, JANUARY 27, 1944**



**Sometimes  
Two Plus Two  
Do Equal Five**

You can save one whole year's cost on your fire insurance if you are now buying it from year to year.

How? By getting a five year policy for the cost of four annual premiums—that's how two plus two equals five!

Three year protection can be bought for two and a half annual premiums.

Consult the Fidelity-Phenix agent or broker who will give you full details and show you how this longer term coverage can be arranged.



Insure through an  
American Fore Agent

He is experienced in the preparation of policies to meet your requirements; he is always available in the event of loss; he represents a company of this strong, capital stock group which has paid out more than a billion dollars in claims since 1855. We will gladly furnish you his name. Just write to the company at 80 Maiden Lane, New York, N. Y.

*It's no mistake  
when you figure  
to save a client  
money. Sell long-  
term protection!*

**An Advertisement  
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current magazines**

**Send for reprints and  
other tie-in material**

**FIDELITY-PHENIX  
FIRE INSURANCE COMPANY**

A Member Company of.

**THE AMERICA FORE INSURANCE AND INDEMNITY GROUP**

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## N. Y. Brokers See Dangers in Texas Type of Policy

**Fear Absence of Need  
for Forms Will Breed  
Sloppy Work**

NEW YORK—Though mindful of the many improvements in the new Texas fire policy, producers here who have studied the contract fear that it will tend to discourage the use of surveys and careful analysis by agents and brokers of the insured's needs.

Fire Commissioner Hall of Texas has been quoted as saying that with the new policy 80% of the policies written will not require attachment of a single form and that the present 200 approved forms and endorsements may be reduced to about 60, which will consist mainly of special forms for business interruption and cotton and oil risks.

Producers here feel that inclusion of so much of what would otherwise be forms and endorsements is too much in the nature of a shotgun remedy. They feel that such a policy not only undermines the producer's function of diagnosing and prescribing for the insured's special conditions but that for buyers whose situations may not be covered by the standard policy there is danger that some highly important factor will be overlooked and not come to light until a loss occurs. This could mean serious financial hardship to the insured and at best would cause friction that would be harmful to the cause of insurance even though the insured finally got what he would have been entitled to if the policy had been properly written in the first place.

### Opens Way to Ill-Qualified

While there is, of course, nothing to prevent the well qualified and conscientious broker or agent from doing a complete survey job with the Texas type of policy it is regarded as unfortunate that it permits the less qualified and less conscientious producer to give his insured a policy without giving any special thought to whether it actually covers his situation completely. It is pointed out that a policy of this type could be written by mail without the producer ever going near the property or discussing it in detail with the buyer.

A feature of the new contract that brokers here particularly like is that it eliminates from the present Texas policy two warranties which many have felt placed the insured in undue danger of voiding his coverage. The first of these is that fire fighting and extinguishing equipment must at all times be in good condition and ready to operate. The second is that there must be a complete itemized inventory every 12 months.

### No Retaliation in Reinsurers

A South Carolina company doing a reinsurance business only in Ohio is not subject to retaliation as to licenses or fees, Attorney General Herbert of Ohio has ruled. Although Ohio companies doing a direct business in South Carolina must pay higher fees than are imposed on direct insurers in Ohio, an Ohio company doing a reinsurance business only in South Carolina would not have to pay the higher fees.

## Predicts New Peaks in Volume During Post-War Decade

NEW YORK—New peaks in volume of insurance coverage will be scaled in the decade immediately following the war's end, G. G. Munn, economist of the investment firm of Paine, Webber, Jackson & Curtis, predicted at the meeting of the New York City Blue Goose. The first post-war decade, he said, should witness the greatest volume of residential building of any comparable period in the nation's history, while in addition there will be a tremendous amount of alteration and modernization.

It is also probable, he said, that the general price level after the war will be higher than now, perhaps by 25%. The volume of business inventories will certainly rise from their present below-normal levels.

The fire insurance business, he pointed out, is fortunate in having no problems of reconversion or renegotiation. It ranks in essentiality along with food, clothing and shelter, for few prudent property owners, whether corporate or individual, are willing to assume the severe hazards to which buildings and contents are subject when the fair cost of avoiding these risks can be shifted to an insurance company.

Most Loyal Gander R. C. Williams, assistant general adjuster of North British & Mercantile, presided.

## Van Nuys Death Is Body Blow

WASHINGTON—The sudden death of Senator VanNuys of Indiana early Tuesday morning is regarded as a body blow to legislation bearing his name and that of Senator Bailey of North Carolina, for exemption of insurance from the anti-trust law. It is believed it may throw a monkeywrench into plans for hearings on and consideration of the measure.

Senator McCarran, Nevada, is the ranking member of the Senate judiciary committee and of the subcommittee on insurance and, in the ordinary course, would be expected to succeed VanNuys as chairman of both bodies. It is understood he wants the chairmanship of the judiciary committee, and is slated for it. However, he also would like to remain as head of the District of Columbia committee, at least temporarily. Ordinarily Senate practice does not permit a member to be chairman of two committees. McCarran is chairman of the committee on District of Columbia, which has recommended bills bearing his name for regulation of insurance rates, etc., in the national capital.

No plans for reorganization of the judiciary committee or subcommittee were expected to be carried out until after the funeral of Senator VanNuys.

### ADVERSE EFFECT QUESTIONED

NEW YORK—While Senator Van Nuys' position as chairman of the Senate judiciary committee enabled him to be of invaluable assistance in expediting the course of the states rights bills, there is general confidence here that the bills will not be adversely affected despite the loss of the star quarterback, as one executive put it. Fortunately, Senator McCarran, his logical successor as chairman of the judiciary committee, has shown himself friendly to the states rights bills and hostile to the idea of still further centralizing governmental control of business.

At the first hearing on the bills before the Senate judiciary subcommittee, Senator McCarran said he was disturbed

## Dickinson Head of Insurance Teachers

Prof. Frank G. Dickinson of the University of Illinois has been elected president of the American Association of University Teachers of Insurance, succeeding Dr. E. L. Bowers, Ohio State University. Since the annual convention was called off, the election was held by mail.

Dr. C. A. Kulp, University of Pennsylvania, was elected vice-president and Dr. C. A. Kline, University of Pennsylvania, re-elected secretary-treasurer. Dr. J. E. Hedges, Indiana University and L. P. McCord, Jacksonville, Fla., agent, chairman of the educational committee of the National Association of Insurance Agents, were elected to the executive committee. The other executive committee members are Dr. Bowers and Dr. H. J. Loman, dean American Institute for Property & Liability Underwriters.

Professor Dickinson is a noted statistician and has gained a national reputation for his scientific rating of football teams and his pamphlet "From Grange to Harmon." He organized and directed the short courses of the Illinois Association of Insurance Agents until they were suspended for the duration. He is also the principal organizer of the insurance teachers' group and has been prominent in it from the beginning. In 1931 he arranged for a section on insurance during the meeting of the American Economic Association in Washington, although he himself was unable to attend. The group met in Cincinnati in 1932 under the same auspices and formally organized the American Association of University Teachers of Insurance.

that Congress should be compelled to enact legislation to affirm its intent regarding the insurance business after the courts, including the U. S. Supreme Court, had repeatedly stated that insurance is to be regulated by the states. He expressed concern over what such a move signified and asked why it should be necessary for Congress to be continually on guard to see that its intentions were not contravened.

## Report WDC Claims Paid and Pending

WASHINGTON—A spokesman for RFC reports that under provisions of public law 506 the War Damage Corporation had paid 265 claims aggregating \$256,712 and as of Dec. 31 there were still pending 552 claims and preliminary notices of prospective claims aggregating \$69,108,783. These include many claims the amount of which is undetermined and which are recorded in a nominal amount of \$1. About \$68,000,000 represent claims for losses in the Philippine Islands area.

All the above relates to losses before July 1, 1942. Under the program covering losses since July 1, 1942, it was stated, two claims aggregating \$4,571 had been paid and 15 claims totaling \$88,327 from the Aleutian area were pending Dec. 31. These include Dutch Harbor, Alaska, it is believed. However, the spokesman did not have a breakdown for that locality, Pearl Harbor, and possibly other places.

Since Dec. 31, a number of claims

## Washington Eyes Insurance White Collar Man's Problem

**Statistics Are Being  
Prepared and Senate Com-  
mittee Hearings Held**

More than 50 insurance companies last week received a telegram from the acting commissioner of labor statistics requesting certain information relative to home office and branch office employees and whether salary scales have been increased or supplemented since 1941. The commissioner also asked for a breakdown by departments of classes of workers affected, number of workers affected, nature of the increase, amount of percentage of increase and effective date of the changes. The bureau offers to have a representative call on the companies personally and secure the information.

### War Time Salary Trends

The commissioner of labor statistics is getting up this data for the special subcommittee on war time health and education of the Senate education and labor committee of which Pepper of Florida is chairman. The report is to be made to the subcommittee on war time salary trends of white collar workers and certain other groups.

For the past year the labor statistics commissioner has been making studies in the Boston area which includes Hartford. Hence the companies in that region were not queried by telegram last week. Those that did receive telegrams were companies located in other eastern sections and throughout the middle west.

The committee is studying also the situation in the banking, building and loan, utilities and other industries employing large numbers of white collar workers. The report will probably include a breakdown by classification of employees, male and female, and range of salaries paid to each class. This will show the top and bottom rates paid and the average per classification.

### Separation of Job Classification

There is to be a separation of job classification in life insurance, fire, and casualty. The names of companies are not to be disclosed. The hearings of the special subcommittee are being held in Washington this week for the purpose of determining to what extent white collar workers have suffered because of inability to secure wage increases to meet the increased cost of living and to show what effect various government orders had in preventing companies from granting increases. The study will include such questions as whether white collar workers have been forced to surrender savings and insurance plans, etc.

Dr. A. F. Hinrichs, director of the bureau, began his testimony Tuesday. Other witnesses of the day included Philip Murray, president CIO, and

(CONTINUED ON LAST PAGE)

based on the explosion of the destroyer Turner off New York harbor have been presented to war damage adjusters, but figures are not yet available.

## Insurance Stock Brokers Hold Bullish Views

NEW YORK—The market for insurance stocks has reacted only slightly to the federal anti-trust moves against the stock fire insurance business and most insurance shares are in the hands of such conservative investors that for the better managed companies at least the long run effect of an adverse U. S. Supreme Court decision should be very slight, according to George Geyer of Huff, Geyer & Hecht, one of the largest dealers in insurance stocks.

### Would Make Strong Ones Stronger

Mr. Geyer feels that if the decision is such as to prevent the companies co-operating for rate-making purposes there may be some companies, less conservatively managed, that will try to grow big by taking business at an inadequate premium and later get into trouble and have to be taken over by sounder insurers, but the result of that would be to make the well-managed companies even stronger than they are today.

As for the effect of the Supreme Court decision, Mr. Geyer believes that as a practical matter the newspaper and radio publicity against insurance that Walter Winchell, Drew Pearson, "PM" and the Chicago "Sun" have put out has had more effect on the public than the actual prosecution by the Justice Department or whatever decision the Supreme Court may make.

### Ideas of Frank Brokaw

Frank L. Brokaw, broker specializing in insurance stocks, believes that the market for insurance stocks is holding even or is slightly lower whereas on the basis of 1943 operations it should be up somewhat, the reason for the current level being the Justice Department's prosecution. He feels that once the Supreme Court makes its decision known the insurance stock market will surge upward out of sheer relief from uncertainty.

Because of the pending litigation there has been some tendency of dealers to advise the selling of insurance stocks, placing the money in bank stocks, on the theory that the banks have their troubles with the government behind them.

Holders of insurance stocks are in general investors, not speculators, Mr. Brokaw pointed out. Furthermore, insurance stocks are largely independent of the general securities market.

Mr. Brokaw advanced the opinion that what the federal government is really interested in is having something to say about the \$37 billion or so of life company assets, which have grown more rapidly in the last 20 years than in the previous 80.

### Survey of Stock Owners

A survey made by Huff, Geyer & Hecht on the basis of 1942 year-end figures showed that some 317,700 individuals owned insurance stocks having an aggregate value of about \$1,269,000,000 out of a total value of about \$1,400,000,000 of stocks of the 82 fire and casualty companies whose shares are the most widely distributed. The remaining approximately \$130,900,000 in values is owned about as follows: 45 colleges and universities, \$16.4 million; 36 investment trusts, \$28.5 million; miscellaneous savings banks and similar institutions, \$16.2 million; directors of insurance companies holding stock of their own companies, \$43 million; insurance companies holding stock of non-affiliated fire and casualty companies, \$20 million; mutual fire and casualty companies, \$6.8 million. The number of individuals holding insurance stocks increased about 9,000 during 1943 as a result of the sale by two banks of a block of insurance shares but otherwise there has probably been little change in the distribution figures.

## Oh, Mr. Biddle! Lookit the Profits FDIC Makes

NEW YORK—The Justice Department's complaint that the fire companies do not return to the policyholder a sufficiently large proportion of the premium dollar in loss payments is far from being consistent with the government's own established procedure in providing insurance protection, according to George Geyer of Huff, Geyer & Hecht, one of the largest wholesale distributors of insurance stocks. Mr. Geyer points out that Federal Deposit Insurance Corporation in nine years ended Dec. 31, 1942, collected from insured banks about \$319,000,000 of premiums and has paid out only \$48,600,000 in insurance losses, a loss ratio of 15.2%. Administrative expenses over the same period were \$29,700,000, an expense ratio of 9.3%. The net income added to surplus has amounted to \$240,700,000 or 75.5% of the premiums collected.

This calculation of insurance profits omits income of \$86,500,000 obtained from FDIC's investments, for unlike the Justice Department's economic adviser Mr. Geyer does not believe that such unrelated revenue as investment income or capital gains and losses on securities should be a factor in rate making.

### Surplus Now \$400 Million

By the end of 1942 FDIC had accumulated a surplus of \$327,643,640 within a period of nine years and 3½ months and a figure of \$400 million should be a reasonably close approximation of surplus as at the end of 1943, according to Mr. Geyer, who points out that that sum would be equal to from seven to eight times all the losses paid by the FDIC in 10 years of operation and current premiums of about \$62 million a year are equivalent to 11½ times the average annual deposit insurance losses since the corporation has been in existence.

Yet, Mr. Geyer observes, Chairman L. T. Crowley of FDIC in his annual report dated Aug. 4, 1943, stated that "not until we have completed our major post-war adjustments and have arrived at a comparatively stable post-war economy should we consider any reduction in the assessment rate or any further exemption of types of deposits from assessments."

## Tynes Succeeds Peel in Ky.; Goodpaster Remains

LOUISVILLE—David L. Tynes, formerly of Ashland, Ky., and for the last six years executive director of the Community Hospital Service, Louisville, has been appointed assistant insurance director, and will be head of the department of fire prevention and rates and state fire marshal.

He succeeds Dwight R. Peel, who resigned when a Republican governor was elected, and returned to Benton to resume management of his agency.

Director Sherman Goodpaster, a Democrat, has been asked by the new Republican governor to stay in office.

### Trustee and the Reciprocals

Some of the reciprocals have been making some changes in their setup to comply with the New York law, one of the changes being a provision that a trustee who insures property in a reciprocal assumes no personal responsibility for assessment liability in doing so. This question was brought to a head a few years ago by the trustee for the McKesson & Robbins drug and chemical company, following its difficulties with its president, Philip Musica. The trustee was willing to continue the insurance of the corporation in the reciprocals, as it had been in the past, but raised the question of his own personal responsibility in doing so.

## Hartford Fire Loss Man Summarizes Rebuilding Order

E. S. Purcell, general adjuster for Hartford Fire at the western department, recently prepared a summary of the War Production Board's conservation order L-41, including the amendments of Nov. 1, 1943. This is the order applicable to property damaged or destroyed by fire or casualty. It is the limitation order designed to prevent unnecessary construction in order to conserve material, facilities and labor for essential war uses, but certain types of construction are allowed without WPB permission. Mr. Purcell's summary follows:

Where a structure has been damaged or destroyed by disaster, the order now permits the minimum work necessary to prevent more damage to the building or its contents.

### Residential Construction

Residential construction, including farm houses: No permission is required for construction which is necessary to restore or replace residential structures damaged or destroyed by disaster after July 1, 1943 provided that the estimated cost is less than \$5,000.

Agricultural construction: No permission is required for construction of farm buildings damaged or destroyed by disaster if the cost of reconstruction is less than \$5,000 or construction is necessary to prevent threatened loss of farm products, where the immediate reconstruction thereof is determined by the U. S. Department of Agriculture to be essential to the agricultural program.

### Other Construction

Other construction: No permission is required for the rebuilding or restoring of a building or structure damaged or destroyed by disaster, where the Red Cross has been given priority assistance to restore the disaster area, and where the rebuilding or restoring has been determined by the Red Cross to be essential.

All other construction is forbidden without WPB permission. Where permission is required, application must be filed with WPB, FHA or county war board offices.

Since the requirements of the order change from time to time, the nearest WPB, FHA or county war board office should be contacted where authority is necessary to proceed with reconstruction. Local contractors should be familiar with the latest requirements and should be consulted.

## E. C. Endorsement Proposed; to Bring More Uniformity

NEW YORK—It is expected that within the next 30 days a revised extended coverage endorsement will be published. This will dovetail with the new New York standard fire policy and for the first time there will be country-wide uniformity on windstorm conditions. The revised endorsement has been under consideration for some months by committees of the four regional organizations.

As a result of the New York attorney general's decision last fall, the explosion feature of the coverage will be on the broad basis rather than the restricted one that it was feared would have to be used, in view of Governor Dewey's veto last year of a bill designed to clarify the respective writing powers of boiler companies and fire carriers regarding explosion.

The clause which it is planned to include in the new extended coverage endorsement has the following limitation: "This company shall not be liable for

## Double Liability, Hull Rates for CAP Service

Effective Jan. 1 rates for civil air patrol insurance coverage were increased, and the coverage was changed from a valued to an actual value basis. This followed a directive from the national CAP headquarters, Capt. Richard S. Wolff, insurance officer. The new application forms contain the names of the three markets writing the coverage, Aero Insurance Underwriters, Associated Aviation Underwriters, and U. S. Aviation Insurance Group.

The rate for public liability of \$50,000/\$100,000 and \$50,000 property damage, which used to be 10 cents, and then was reduced to 6½ cents, has been increased to 13 cents.

The premium charge for crash coverage per flying hour for aircraft has been doubled for all types of CAP service flying: Courier, miscellaneous services for state and federal defense agencies, forest patrol and pipeline patrol. These rates vary according to horsepower beginning 50 to 60 h.p. and going up to 396 to 445 h.p. The rates for courier service start at 75 cents and run up to \$10.50 per hour; for miscellaneous services the figures are the same; for forest patrol the rates start at \$1 and run up to \$14, and for pipeline patrol from \$1.12 to \$15.75.

Personal accident rates on an hourly basis also have been increased, for the pilot on courier and miscellaneous services from 10 cents to 18 cents; pilot and one passenger, 20 cents to 36 cents, and pilot, passenger and crew member from 30 cents to 54 cents. Proportionate changes have been made for the other services.

Under hull coverage the insurer now reserves the right to replace or repair damage. CAP members now have no medical coverage to furnish because they will be taken care of in air corps hospitals if injured on duty. Personal accident coverage, however, is still required.

### Report on FCIC Operations

WASHINGTON — Nearly 500,000 wheat and cotton producers received payments for crop losses during the first four years of federal crop insurance, the War Food Administration said in releasing the 1943 annual report of Federal Crop Insurance Corporation. The insured wheat producers received a total of 62,470,873 bushels of wheat in settlement of losses in the four years. Payments for losses on the 1942 cotton crop—the first to be insured under the program—totaled 52,159,200 pounds.

A tabulation is given of the crop insurance record by states from the beginning of the program through 1942. Figures are also included on the relative importance of the various causes of loss on wheat crops by states for 1940, 1941 and 1942.

### U. S. Chamber Meeting

The annual meeting of the U. S. Chamber of Commerce will be held at the Waldorf-Astoria, New York City, May 3-6.

Insurance Women of Columbus at their January meeting heard a talk by Lt. Stoll of the aviation examining board, Columbus.

explosion originating within steam boilers, steam pipes, steam turbines, steam engines, flywheels, located in the building(s) insured or in building(s) containing the property insured."

Coincident with the promulgation of the new extended coverage endorsement it is planned to issue an endorsement for attachment to explosion policies to provide the same broad coverage given in the extended coverage endorsement's explosion clause.



## Public Relations Is Everyday Job

### C. H. Smith Tells Chicago Examiners Task Is Individual Responsibility

Some every day, close to home things that those in insurance can do to improve the relations of the business with the public were discussed by C. H. Smith, associate western manager of Hartford Fire, at a meeting of the Fire Insurance Examiners Association of Chicago. Theodore Reis of the R. H. Erickson general agency officiated for the first time since he took over the presidency from J. W. Nickerson of Allstate, who is now in the navy.

Insurance and those in it are being tried in the federal and state courts, but above all by public opinion, Mr. Smith said. If insurance has committed any crime, he said, it is that after having done a very good job, it has not told the people about it.

#### What It Means to Business

Without insurance, Mr. Smith pointed out, it would be extremely difficult in modern times to conduct a business, construct a building, or engage in any enterprise. Business is conducted on a basis of credit and credit needs insurance to thrive. Imagine, he said, the rate of interest if property were not insured. Most buildings are constructed on borrowed capital, and he wondered what rent would have to be if there were no insurance against the fire hazards. He suggested that the interest charged by small loan companies might give a clue. This is 2½ to 3% a month on the first \$200, which is 30 to 36% a year. It would be extremely difficult if not impossible to secure money for the backing of other ventures, new inventions, processes, and the like, he declared, if there were no insurance.

Hardly a home in the United States is without some item tested for safety by Underwriters Laboratories, Mr. Smith continued. Yet the public generally does not realize this, or that the laboratories' activities are supported by the fire insurance business. Few, even among agents and assured, realize how valuable the fire protection engineering done by the fire business is to the public, he said. It is taken for granted.

#### High Trusteeship Considered Normal

To conduct an insurance business the companies must maintain intact large reservoirs of money and securities and here, he said, the business has done a wonderful job. The truth is that the quality of performance is so universally high that it is accepted as normal and taken for granted.

The men managing and running the insurance business have come to their posts the hard way, he said. Practically none of them has been handed his job. They are high caliber men and he doubted if there would be as high a percentage of men of such quality and experience in any other business.

Four things, he suggested, can be done by the examiner to improve the relations of the business with the public: Become enthusiastic about the business, take every opportunity to be really helpful to assured and public, maintain the dignity to which the business is entitled, and do not be tempted into knocking others in the business. For the most part it is a program which can be followed by every one in the business.

#### Enthusiasm Is Catching

If the examiner radiates enthusiasm, then others will catch it and pass it on to the next man, he said. In writing letters the examiner can, without dragging in the matter by the heels, mention that Underwriters Laboratories have made this article safe for use; he can refer to the trusteeship exercised with assured's money and the quality of men in

## Large Inventories of Junk Goods May Cause Trouble

Fire insurance underwriters are watching with much interest news of release of various heretofore critical materials for civilian use. There is the fear that merchants may be caught with substantial inventories of so-called "junk" stock that will become unsalable when superior stock becomes available. For instance, recently it was said, when it was announced that a certain amount of metal would be available for bedsprings, certain dealers who had a large supply of wooden beds became panicky and cut the price in half. Probably their fears were not justified because it is likely to be several months before bedsprings are on the market to any extent. However, the fact that dealers do become panicky at such news is something that has to be considered by fire underwriters.

Many shrewd merchants have deliberately avoided loading up on "junk" goods and have taken only what they were sure they could dispose of in a very short period of time. Some of the mail order houses, for instance, will get such goods and then immediately put on a sales campaign to get rid of that particular stock. However, many other firms have undoubtedly built up large inventories of such goods and an underwriter would probably today put a question mark on such a risk if its financial or moral standing were uncertain.

the business. Frequently, instead of referring to a rate which is cheap, he can point out assured is saving because of fire protection, and it is worth a lot more to assured to have his plant standing tomorrow than to collect the insurance. If the examiner can get these ideas to agent and assured, then he can get them started out to the public. Courteous letters build goodwill everywhere, he said. He told the story of the adjuster who was exceptionally capable and probably knew stocks and values as well as anyone in the country, but even though he paid the loss total, he almost always left assured fighting mad. If a thing is going to be done, it ought to be done with a smile, Mr. Smith commented.

At times the examiner will realize after going over the submission of a risk that assured should have better coverage for his money. He can either say nothing and save himself some trouble, or he can advise the agent and help assured, thus adding his bit to the aggregate of good public relations.

#### Reduce Ambiguity Where Possible

It is important, he said, to watch forms to see that there is as little ambiguity as possible. Ambiguous forms are extremely unfortunate because with a loss they produce trouble and lead to bad feeling. Forms should be so clear that any man can understand them, he said, then it will be unnecessary to go to court.

Examiners should be dignified and firm, and they should stand on their own judgment, Mr. Smith said. Sometimes companies "try to keep up with the Joneses" on the lines they take. This is the worst kind of underwriting, he said. Let the other company carry what its management feels is right, and "let us write our own."

Underwriters at times try to meet another company's rates or forms. An agent will tell a company what another company is "going to do." This is very seldom the truth, and yet when a company falls for that kind of line the agent has no respect for the company that does it. It shows that the carrier cannot stand on its own feet.

Mr. Smith strongly advised against slurring others in the business. "That man is a crook" seldom proves to be true when all the facts are in. "If you have something against a man talk to

## Higher Losses, Cut in Premiums Seen

### R. L. Ellis, Fireman's Fund, Makes Predictions, Urges Research

SAN FRANCISCO—Fire losses will be higher in 1944 while premium volume will go down, R. L. Ellis, vice-president Fireman's Fund, predicted before the Fire Underwriters Forum here.

"The need for practical and continuous research in all forms of insurance is one of the most vulnerable spots in our armor of protection," Mr. Ellis declared. As companies, of necessity, have to work together for the common good, it is often difficult to obtain speedy and constructive unanimity on matters which should have prompt attention. Decisions on new proposals are sometimes deferred for what may appear to be an undue period. Although this delay cannot be eliminated entirely, it certainly can be minimized to the point "where the final results of our research and consideration will be something that can be a credit to the business instead of that for which we must apologize."

#### Research Is Urged

Mr. Ellis urged members of the Fire Underwriters Forum to initiate research activities along various lines, suggesting business interruption insurance as a starter. More U. & O. will be sold in the future, according to Mr. Ellis. It should be sold as a part of the fire insurance protection as "necessary fire insurance as coverage on the property itself."

"If our representatives will approach the sale of use and occupancy in this manner—that is, as an integral part of fire insurance, the psychology of such an approach will result in more sales," he said.

In making a thorough study of the principles and details of business interruption coverage, the difference between the various forms should be analyzed with the aim to find ideas for improvement and clarification. The specified time form, which was originated on the coast, has not proved a cure-all for complexities, he said.

Mr. Ellis said the 44 hour week has stabilized the companies' employment problem although the experiment has been expensive. He doubts if the companies are receiving an adequate return for the money expended.

Higher fire loss ratios will be caused by the decreased efficiency of fire departments, both public and private, as a result of reduced man power, deterioration of equipment and apparatus, high pressure manufacturing and task performances and similar factors, according to Mr. Ellis. Premium volume will be lower, in his opinion, because of the reduced inventories in warehouses and stores, the reduced manufacture of goods to re-supply such facilities and because the heavy business on defense plants which inflated premium income has been mostly written on a long term basis.

#### L. B. Way Spokane President

SPOKANE, WASH.—Le Roy B. Way, Elmendorf-Anthony Company, has been elected president of the Spokane Insurance Association. Charles E. Daly, Deatherage-Daly agency, is vice-president; T. J. Meenach, secretary-treasurer.

him, not about him," Mr. Smith advised. Otherwise insurance and everyone in it suffers.

The insurance business has a wonderful story to tell, Mr. Smith asserted, and it should not lose an opportunity to tell it.

## Attorney General Not on Warpath

### Predecessor Secured Beaumont Exchange Fine; Association Officials Meet

DALLAS—Attorney General Grover Sellers, who was expected to talk to officers of the local insurance exchanges of Texas at a meeting here Monday to explain the anti-trust laws and how they concern exchanges, was unavoidably detained in Austin. However, he sent regrets and asked Secretary R. B. Cousins, Jr., of the Texas fire prevention committee to explain that his office was open at all times to representatives of the Texas Association of Insurance Agents or exchanges if they want to discuss association constitutions and by-laws.

Political and personal friends of Mr. Sellers, who was formerly on the court of civil appeals at Texarkana, have assured the fire and casualty insurance fraternity of Texas that the new attorney general is not on the warpath, is not trying to make a record in anti-trust cases, and is not anxious to collect fines merely to punish any group or groups. They also insist that Mr. Sellers would have been in Dallas if it had been possible.

#### Sellers Popular with Insurance Men

The Texas attorney general is popular with the insurance people and it is believed that a small committee from the Texas association will visit him to obtain advice as to how local exchanges may entirely comply with the attorney general's ideas.

While every exchange probably will work as far as possible with the attorney general's department, many of them feel that the in or out rule was upheld in its entirety in the Houston exchange case when the district court, appellate court, and the full Texas supreme court of nine judges held that the Houston Exchange had a legal right to enforce its in or out rule and that even if the plaintiff had been damaged he could not recover financial damages since the Houston Exchange had acted within its legal rights. With that decision on record associations will not emasculate their constitutions and by-laws until qualified legal counsel so recommends.

The filing of the Beaumont case was one of the last official acts of Gerald Mann before he retired as attorney general. Mann was generally recognized as a crusader and during his term he and his assistants made innumerable investigations of suspected monopolies and violations of the anti-trust laws.

#### Background on Beaumont Case

A Beaumont local agent, a member of the Beaumont exchange, said in Dallas Monday that he believed the agreement between the members of the Beaumont and Port Arthur exchanges not to solicit insurance business in the other city, and the agreement of Beaumont agents among themselves to not employ married women as solicitors and their agreement not to handle FHA loans for less than 1% brokerage were the main reasons behind the suit and that the in or out rule was somewhat incidental. This agent also said many of the Beaumont members had large holdings of real estate and some were engaged in the real estate business and were fearful that since the attorney general's suit said "the state has a lien upon all of the properties of every kind and description belonging to or held by the defendant, the Beaumont Insurance Exchange, to secure the payment of penalties" that individual members might also find their personal property tied up, and rather than face that possibility they decided to pay the \$2,000 fine.

(CONTINUED ON LAST PAGE)

## Sees Government Ownership Issue

Commissioner Neel of Pennsylvania in addressing the meeting of the insurance section of the Pennsylvania State Bar Association at Hershey, declared that insurance has been and is today the testing ground for government ownership and control. The insurance business has been the one that has been most threatened with ownership and operation rather than supervision or even control by state legislators.

### First Step Toward Socialism

Lawyers and business men have been prone to let government take the scalp of the insurance business without thinking of the possible consequences to other businesses. Mr. Neel contended that if the federal government should take over insurance that would be only a first step towards socialism generally and he pointed out that this would be a blow to the lawyers.

The committee hearings on the states rights bills in Congress, he said, have called attention of all business and professional men to the need for blocking those that are seeking to put across federal supervision of insurance. Mr. Neel characterized as a spider and the fly argument the contention of Attorney General Biddle that the theory that a

## War Damage Claims Paid by Great Britain

The chairman of the British War Damage Commission has stated that 1,754,000 claims have been filed on 2,750,000 separate damaged properties of which more than 1,000,000 have been paid. From Jan. 1, 1943, claims have been settled at the rate of 8,600 a week by a staff of 2,265 people, of which 1,000 are women.

reversal of the Supreme Court's past doctrine would nullify the present regulatory system is "irrelevant and exaggerated."

### Symons and Page J. & H. Partners

Frank S. Symons of Montreal and Charles Page of San Francisco have been elected partners and directors of Johnson & Higgins. Mr. Symons is president of Johnson & Higgins of Canada and Mr. Page has been connected with the San Francisco office of Johnson & Higgins. He is a son of Charles R. Page, chairman of Fireman's Fund.

Charles R. Page, chairman of Fireman's Fund, recently appointed a member of the Fire Commission of San Francisco, has been named president of the commission.

## NEWS OF THE COMPANIES

### Herd America Fore Vice-President

J. Victor Herd, secretary of the America Fore fire companies, has been elected a vice-president. At the same time William H. Roden was elected secretary of the fire companies and also of Fidelity & Casualty. Henry Keck and Louis Moeckel were elected assistant secretaries of the fire companies.

Mr. Herd was born in Milwaukee and started in the business as an examiner in the head office of American Central.



J. VICTOR HERD

In 1919 he joined National Automobile Underwriters Conference at New York. A year later he went with Niagara Fire at the home office. In 1920 he was made a special agent in Minnesota with headquarters at Minneapolis. For the next several years he traveled in several western states.

### Climbed Ladder Steadily

In 1928 he went to the home office in an executive capacity and remained with Niagara for about a year after it became part of the America Fore. He then left to become secretary and later vice-president of Fire Association. In 1942 he returned to the America Fore group.

Mr. Roden was born in Winfield, L. I., and has been with America Fore since 1907. He served in various capacities with the organization until appointed employment manager.

### Keck Has Long Service

Mr. Keck was born in New York and started with John Hancock Mutual Life but was with it only a short time when he joined Continental in 1905. In 1915 he was made chief clerk of American Eagle. Ten years later he became supervisor of the accounts department at the home office, the position he has since held. He is chairman of the America Fore Old Guard Association.

Mr. Moeckel is a native New Yorker. He started with American Eagle in the statistical and accounting divisions. In 1933 he was appointed head of the statistical department.

### Am. Fore Assets, Surplus Increase

The fire companies in the America Fore group reported increases in assets last year of about 15% and in surplus of about 20%, the annual statements, reveal. Premium reserve held just about even.

Continental's assets are now \$116,972,411, increase \$16,451,058, capital is \$5

million and net surplus \$74,899,105, an increase of \$13,329,456.

Premium reserve is \$23,940,536, increase \$274,025.

On a market value basis the assets are \$122,258,218, and surplus \$85,185,182.

### Fidelity-Phenix Figures

Assets of Fidelity-Phenix are \$93,698,605, increase \$14,872,557. Capital is \$3,750,000 and net surplus \$60,298,775, increase \$11,980,345. At the market the assets are \$97,818,139 and surplus \$68,168,309.

Premium reserve is \$17,949,805, a decline of \$319,766.

Relatively the other fire companies made much the same handsome record.

Premiums written by Fidelity-Phenix last year totaled \$21,819,638 as compared with \$22,757,498 the previous year. Premiums earned were \$22,139,403, losses totaled \$10,749,406 and expenses \$9,260,265.

Premiums written by Continental were \$27,372,774, compared with \$27,470,153 the previous year. Premiums earned were \$27,098,758, losses \$13,342,543, and expenses \$11,459,879.

The total surplus of the America Fore companies, including Fidelity & Casualty, now exceeds \$200,000,000.

### Dr. James P. Adams on P. W. Board

Dr. James P. Adams, vice-president of Brown University, has been elected director of Providence Washington and of Anchor to succeed the late William S. Innis.

North America has appointed E. C. Ziegenfuss to succeed W. C. Wright in the purchasing department, which is headed by A. W. Davies, Jr. Mr. Wright has entered the army.

O. O. Ellis, president of the Guilford Realty Corporation, Baltimore, and E. S. Windsor, assistant secretary of Homestead Fire, have been elected directors of the latter company.

### Broughton Announces New Public Relations Projects

Averell Broughton, N.A.I.A. public relations counsel, in addressing a meeting of the Detroit Association of Insurance Agents Tuesday, announced that a booklet, "A Public Relations Manual for the Local Agent," will be ready for distribution in two or three weeks. This will tell a local agent how to organize his public relations program in his own community in accordance with the N.A.I.A. pattern.

The public relations department has outlined a detailed program of talks and other publicity features and a study has been made of work to be carried on in Washington.

Mr. Broughton emphasized the identity of interests between local business and the local agent. American business today needs the support and defense of the insurance producers in a concerted effort to withstand the attempt to change America into a planned social unit of a kind never contemplated by the spirit of free America and free enterprise, he said. The public relations department will undertake to acquaint business with the fact that it is getting support from the agency system.

### May Call National Board

WASHINGTON—Representatives of the National Board may be called at hearings before the Senate judiciary subcommittee on the insurance states rights bill, if Senator O'Mahoney, Wyoming, has his way.

O'Mahoney thinks the board would be able to help in "clearing up a few questions" that he has raised, it is understood. He has been suffering from a cold, so that the subcommittee has not resumed hearings.

### \*FIGHTING MEN OF AMERICA—No. 5

1917



### They Fought for Freedom "Over There"

In 1914 war broke out between the Allies (among whom were Italy and Japan) and the Central Powers (Germany, Austro-Hungary, Turkey and Bulgaria) and three years later the United States became actively engaged. Fighting consisted largely of trench warfare and several new weapons were employed for the first time: submarines, gas, airplanes and tanks. Many mistakes were made on both sides, but the supreme error is accorded to the Central Powers in their wild miscalculation of the ability of the United States to equip, train and transport the millions of fighting men in time to turn the tide—to victory.

If you would like a poster-size reprint in color of this soldier of 1917, together with a descriptive booklet on business development for insurance men called "Planned Progress," write to:

**Boston Insurance Company**  
**Old Colony Insurance Company**  
87 Kilby Street, Boston, Massachusetts

\*The fifth in a series of illustrations of American men of seven wars.



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Dear Brother John

My model of a P 51 MUSTang is finished. is your fighter a mustang? I hope so I saw a swell movie about the air Force yester day.

Jeepers Id give my bike and airrifin airrifle and every model I've ever built to be a pilot like you. Dad said all you pilots are fighting so us kids wont have to go to war when we grow up.

Dad says all of us at home must work hard so you will be proud of us when youve won the war The way we are proud of you

Mom says when we think we are working too hard we should just think of John's sacrifices.

I'm making plane models and collecting scrap and helping at the store on Saturdays. I'm going to be an air Raid Messenjer but I have got to be older.

I told the guys fellows about the jap helmet you have for me and how your leting me use your type writer while you are away and they say "boy are you lucky". I'm awful proud of you. Come home soon and teach me to fly.

your brother  
**Don**

P.S. I bought another bond for \$18.75 from my savings

★

The men and women of Loyalty Group are pledged, in their home-front effort, to make a contribution worthy of the gallant sacrifices being made by Americans under arms.

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The Concordia Fire Insurance Co. of Milwaukee	Commercial Casualty Insurance Company
Milwaukee Mechanics' Insurance Company	Pittsburgh Underwriters-Keystone Underwriters

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## Senators Debate Plight of Farm Mutuals Under 112

In a Senate debate the other day on the amendment by Clark of Missouri that was subsequently defeated to eliminate section 112 from the revenue bill, there was a discussion on the taxation of mutual insurance companies. Section 112 requires income tax returns from certain organizations which are exempt under the present law from paying income taxes.

At one point Maloney of Connecticut asked LaFollette of Wisconsin whether the latter feels that mutual insurance companies should be exempt "when they are in competition with corporate stock insurance companies."

LaFollette recalled that in the last tax bill a provision was introduced to tax the investment income of mutual insurance companies with the exception of certain of the small ones. Under section 112 that exemption for the small companies would be wiped out and "all small farm mutual insurance companies, in which even the person who conducts the business takes a very small salary and in which he does the work in his spare time, would be required to file returns," LaFollette declared.

### History of Tax

Shipstead of Minnesota recalled that farm mutuals were taxed on their income in 1922. Such companies, he said, had no money surplus. The only income was from assessments to pay losses. In 1924 the Senate knocked out the tax on this theory.

LaFollette stated that he is opposed to throwing out "a dragnet in time of war and impose a crushing burden upon people who are already short-handed and overworked." He said that the small farm mutuals are operated frequently by a single individual. He often carries on the business in his spare time and frequently is a farmer. "So merely to throw this additional burden upon people so situated at this time in the hope of turning up something out of all this information that may be helpful to the government, it seems to me to be unjustified in the face of the facts and the record and the information now in our possession."

LaFollette stated this is a proposal to go out with a dragnet and force hundreds of thousands of organizations, short-handed as they are, to fill out returns and then to file them where they will be under the seal of secrecy. It will not be available to the public but only to the House ways and means committee of the House and the Senate finance committee. Usually even then information is presented as a composite and not to reveal the individual situation of any particular organization.

### Rumor Lockhart to Resign

Unconfirmed rumors indicate that Chairman O. P. Lockhart of the Texas board of insurance commissioners, who is also the life insurance commissioner, will resign and run for Congress against Lyndon Johnson. The attorney general's department ruled that Texas officials could not run for another office without resigning their posts, necessitating Commissioner Lockhart's resignation if he aspires to a seat in Congress.

### Farm Income Up 20%

The income of farmers from marketings during the first 11 months of 1943 totaled \$17,319 million compared with \$13,867 million for the like period in 1942, according to the U. S. Department of Agriculture. All commodity groups except cotton and cottonseed showed increases.

Leaders in the field rely on the **Accident & Health Policy Analysis Service**. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## President McGladrey Comments on Plan to Reduce Loss Ratio on Turkeys

President W. J. McGladrey of Farm Owners Mutual of St. Paul has given as much attention to turkey insurance as anyone in the business. In fact he is regarded as an extremely well-informed insurance official on this subject. He said there is a thousand years of experience back of fire insurance rate and policy making, 500 years back of windstorm, 100 years for hail and 30 for automobile. He has analyzed everything he could find with reference to turkeys. There are about three years of systematic record to which to turn in trying to solve the problems that arise in this type of insurance.

Commenting on turkey insurance, he said:

"As I see it, there are two elements that make for insurability. First is value; turkeys have it. Second, destructibility. It does not need a microscope to tell us that turkeys can be destroyed."

"In the middle west, where the heaviest concentration of turkeys is found, it appears from all available data that the turkey raisers have had approximately \$2 in loss money for every dollar of premium they have ever paid. This covers an average of 1940-43 inclusive. This cannot continue."

"What is even worse, is the fact that for every dollar that assured received in loss payments, he sustained from \$1 to \$1.50 additional loss that was not covered by insurance. The army and the eating public sustained a loss of about \$2.50 worth of toothsome meat. Some of the feed companies have suggested that we are in a position to apply considerable pressure on the growers to greatly reduce this destruction of property."

### Rates on Turkey Insurance

"We are preparing rates and policy conditions with that end in view. As nearly as we can compute, from records obtainable, the rates for the coming year should be about 15 cents per turkey, if insurance were carried on the same basis as in the past. From our experience and that of the companies collaborating with us, there have emerged some definite hazards. The one that appears to be the most dangerous is the grower who attempts to operate on a large scale with only a shoe string of experience and finance."

"To illustrate, Mr. A raised 21,000 turkeys in 1943. At the time of the big storm in November, he had about 12,000 on his place. He lost 6500. I believe he is conservative when he estimates that he lost \$20,000 above what the insurer paid him. The 21,000 turkeys were easily worth \$125,000. His equipment was negligible. No man would attempt to run a \$125,000 business with \$5000 equipment in any other line, except in turkeys. The \$20,000 he lost would have purchased equipment to last many years."

### Hazard of Late Turkeys

"Another type of grower who is a hazard is the man who raises late turkeys. The storm period in the middle west is that time between Oct. 20 and Nov. 20. That is the time when the turkeys have come to a maximum value, and when the greatest concentration is still on the farm. After Nov. 20 the

Thanksgiving market has been supplied. Late birds carry a maximum of liability into the storm period."

"We plan to demand with every application this year, a survey blank, which may be filled out by the agent, feed company or by assured. About Sept. 1 we will send out a second survey blank. If the protection demanded and agreed upon has not been provided, we will in the case of larger flocks have an inspection made before Nov. 1 and if the assured refuses to provide reasonable protection, such as we expect to outline, the policy will be cancelled, as of Nov. 1, and the prorata share of the unearned premium will be returned."

"By following this plan, we will force the man to relinquish his insurance and terminate his liability in the storm period, or force him to protect his birds and reduce possible losses. The plan will not be 100% perfect, but it will make a vast change."

"It is probable that we will offer a policy similar to our former one, only at an increase in rates. Or as an alternative offer a policy for only a fraction of a cent increase for the same amount of coverage as the one sold in 1943, but with a 5 cent per pound insured, deductible with each loss. This is the plan submitted by the insurance committee of the National Turkey Federation."

## No Cover on DPC Plants Closed or Discontinued

In the case of Defense Plant Corporation plants being closed or construction discontinued, the policy of reconstruction Finance Corporation is, it is stated, that if it is under no contractual or legal obligation to continue insurance, fire and extended coverage will not be continued where it is a direct expense to RFC.

If a plant is standing idle, boarded up, the insurance is cancelled, unless its continuance is required under contract or wanted by the war or navy department or other government agency concerned.

## Reed's Son's Connection May Be Disqualification Reason

WASHINGTON—Ever since Associate Justice Stanley Reed disqualified himself from hearing the important Southeastern Underwriters Association anti-trust case two weeks ago, insurance men and attorneys have been trying to learn the reason. The latest rumor here is that he withdrew because his son is connected with the New York law firm of Wright, Gordon, Zachry, Parlin & Cahill, attorneys for the S.E.U.A. John T. Cahill of this firm argued the case for the companies.

If this is correct, it would explain why Justice Reed was willing to take part in the Polish National Alliance case, but not in the S.E.U.A. case.

President E. H. Boles of General Reinsurance has been elected president of New York post-graduate medical school and hospital.

## Second \$500,000 Toledo Blaze in Nine Days

The second \$500,000 fire in Toledo in nine days destroyed two five-story brick buildings in the downtown section, Harry's Auto Stores, 444 Summit street, and Boston Men's store, 442 Summit. Some damage was done to adjacent structures, including Hirsch Laboratories, 226 Jackson; Ohio Fruit Co., 436 Summit; Fain's Credit Clothing, 434 Summit; A. & P. Market, 502 Summit, and Surlin Co., 226 Jackson.

The estimated insurance loss to the building occupied by Harry's Auto Stores, which was owned by Walter Eversman, attorney, is \$50,000 which is the amount of the insurance. Among the companies on the line were Fireman's Fund, Continental and National Fire, each with \$10,000. The insurance loss to contents is \$250,000. The building was the auto stores company's warehouse and the stock recently was inventoried at more than \$200,000. The destruction of the other building, owned by Saranac, Inc., will cost insurers around \$100,000 plus another \$100,000 on stock of the Boston Men's store.

Several days ago fire destroyed most of the "Colony block" building on Central avenue with a total insurance loss that will run more than \$500,000. One of the stores seriously damaged in that fire was operated by Harry's Auto Stores.

The downtown fire started on the first floor rear of the Eversman building and spread rapidly, the flames fed by drums of oil. Before the fire was brought under control the walls collapsed. The Saranac building was separated from the Eversman structure by a brick wall.

The two large fires gave Toledo January losses of \$1,100,000, double the 1943 total of \$495,000, according to fire department records.

The Toledo city council is considering two resolutions, one authorizing a committee to study the existing fire code, unchanged since 1929, and the other asking for appointment of a committee to study the personnel and condition of equipment in the fire department. Earl Walterschied, chief of the Toledo fire prevention bureau, said he should have at least 10 full time inspectors and authority to enforce the rules. City Manager Schoonmaker suggested that those engaged in recommending a new building code for the city cooperate with the special committee appointed to seek lower fire insurance rates for Toledo. The latter group is now studying the model ordinance of the National Board, he said.

### Limitation Officially Killed

Following upon the recent announcement of Fred M. Vinson, director of economic stabilization, Internal Revenue Commissioner Hannegan has issued an official announcement that all previous regulations restricting the dollar amount that might be paid to commission compensated salesmen and to those receiving over-riding commissions or percentage bonuses are rescinded. Regulations are now being prepared embodying the changes. There is no limitation on the amount that may be received provided that the rate of commission and base salary has not been changed as to salesmen and if the percentage, method of computation or base salary has not been changed as to those receiving an over-riding commission.

Prior to the Judge Vinson announcement Lawrence Baker, Washington counsel for the National Association of Life Underwriters, had taken the matter up with the internal revenue bureau.

Lloyd E. Humphrey, formerly chief adjuster of Town Mutual Dwelling of Des Moines, died at his home in Leon, Ia. He retired from the company a year and a half ago and since then has conducted a local agency at Leon.

## Mutual Fire Companies' 1943 Figures

	Adm. Assets	Unearned Prems.	Net Surplus	Net Prems.	Net Losses Paid
Grange Mutual Fire .....	269,973	109,751	148,146	92,423	32,994
Fidelity Mutual .....	607,854	136,851	307,842	291,017	131,314
Illinois Mutual Fire .....	188,965	102,803	79,675	90,060	29,032
Ind. Lumbermens Mut. ....	4,744,016	2,331,544	2,008,408	2,658,854	1,201,134
Lititz Mutual, Pa. ....	1,193,042	371,864	788,431	517,526	147,414
Texas Hardware Mut. ....	234,304	99,661	120,721	135,025	32,414
Western Mutual Fire, Ia. ....	782,523	380,649	292,413	672,059	198,255
<b>RECIPROCAL</b>					
Retail Lumbermen's Exch., Minn. ....	445,327	160,986	312,834	446,918	195,641



# BUILDING AMERICA!

*Canning*

A prize of 12,000 francs was offered by Napoleon in 1795 to anyone who could devise a method to preserve food for his soldiers. The prize was won, 15 years later, by Nicholas Appert, "Father of the Canning Industry."

To England we owe the tin-plate container or "cannister" (promptly shortened to "can" in this country) and to the United States, the mechanization of the canning industry. Immediately after its discovery this method of food preservation came to America, where it has since attained its highest development, over a billion cases of all canned foods having been packed during 1942, or four times the average annual pack of pre-war years.

With a war-time origin, the canning industry has made notable contributions to the building of America in time of peace and to its protection during time of war. Unquestionably it will play an increasingly important role in both our post-war living and that of the entire world.



## PROTECTING AMERICA!

### HELP TO FIGHT INFLATION

If you patronize black markets you help to boost prices. Pay no more than ceiling prices for canned products. Buy rationed goods only with stamps.

Because canning is generally a seasonal business, plants and equipment are idle many months of the year; fire and the forces of



nature, however, are likely to strike any time. In addition to safeguarding the large capital investment represented, insurance companies, through their engineering departments, do much to minimize the frequency and severity of cannery fires.

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## NEWS OF FIELD MEN

### Gedelman to Navy; Zendzian Successor Invite Agents to Ill. Field Session

Matthew Zendzian has been appointed Minnesota state agent for both the fire and marine departments of Fireman's Fund. He takes the place of Fred G. Gedelman who has been commissioned a lieutenant (j.g.) in the navy and reports at Ft. Schuyler, New York, Jan. 27.

#### Has Been Marine Man

Mr. Zendzian has been located in Minneapolis for the past several years as special agent for the marine department of Fireman's Fund in Minnesota and a number of neighboring states. He has been with Fireman's Fund since 1935. Prior to that he was in the inland marine underwriting department of Springfield F. & M. at Chicago. Mr. Gedelman has been with Fireman's Fund since 1939.

Just the other day L. F. Fritz, an examiner in the western department at Chicago, was sent into the Minnesota field as special agent.

Members of the Springfield Insurance Agents Association and other agents representing W.U.A. companies have been invited to attend an open forum Thursday afternoon to be conducted by the public relations committee of the Illinois Fire Underwriters Association. The speaker will be P. J. Leen, western marine manager of Fireman's Fund, who will discuss the difference in coverage between the personal property floater on the one hand and fire and extended coverage with 10% floater protection plus the new residence and outside burglary coverage on the other hand. He will also answer questions. John Rusco of Aetna Fire will preside as chairman of the public relations committee.

The I.F.U.A. will hold the first session of its midyear meeting Thursday morning. Then it will recess at about 11 and there will be a discussion of the progress of the State War Inspection

Service in which field men of the bureau companies will participate. Following a luncheon Wade Fetzer, Jr., of Chicago, who is chairman of the public relations committee of the National Association of Insurance Agents, will give a talk on public relations and R. L. Sprouse of Springfield, regional vice-president of the Illinois agents association, will give a short talk to enlist the cooperation of field men in the membership work of the agents association. The I.F.U.A. will then close its meeting and the open forum will be held.

### SWIS Program Launched in Mich.

LANSING, MICH. — Michigan's SWIS program was launched at a one-day school of instruction here attended by nearly 200 fire company field men and agents. An intensive refresher course was given covering types of hazards common in war production work.

It is expected that one of the first areas to be given attention is the Port Huron-Marysville district which has proved the industrial "hot spot" of Michigan in recent months.

In addition to inspecting a large number of small sub-contracting war plants, many plants of prime contractors will be reinspected. The Office of Price Administration has designated Waldo O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, as issuing officer to provide the inspectors with extra gasoline rations for inspection trips.

Governor Kelly spoke at a luncheon, declaring that by aiding in inspection work the insurance industry is "solving a war problem of the first magnitude."

Participating in the school were: R. E. Vernor and Emmett Cox, Western Actuarial Bureau, Chicago; Arnold Renner, Michigan fire marshal; Robert Loughead, chief engineer Michigan inspection bureau; Henry Lohr, state OCD plant protection officer; L. P. Dendel, assistant secretary, and Paul Baker, engineer, Michigan Millers Mutual, and Capt. Ray Jennings, formerly state agent American of Newark.

### Cassell Resigns Field Post to Join Alexander & Co.

George A. Cassell, state agent in Illinois and Missouri for Caledonian the past four years, Feb. 1 is returning to the W. A. Alexander & Co. agency, Chicago, in the fire department and production end of the business under W. A. Sheldon, vice-president. Mr. Cassell spent 10 years with the Alexander agency, first as underwriter and counterman in the fire department and then for five years in the production department. He started in insurance with Fire Association and was with that company

4½ years in the western department. He is a member of the executive committee of the Illinois Fire Underwriters Association, a position which he has now resigned.

### R. R. Hayes to Nebraska Field for Crum & Forster

R. R. Hayes will be transferred to Nebraska as associate state agent of Crum & Forster March 1.

Mr. Hayes traveled in Nebraska as special agent for four years prior to his transfer to Oklahoma in 1939. He has been with the group in various capacities 12 years. He was originally in the underwriting department in the Freeport office, after which he was with the Wisconsin state agency in the office and field.

State Agent H. H. Miller, who has so efficiently supervised the Nebraska field for many years, desires to be relieved of the strenuous traveling which a field position necessitates, and will confine his principal activities to Omaha.

Mr. Hayes will have his office with Mr. Miller in the Service Life building, Omaha.

### John D. Sullivan Heads New Jersey Field Club

NEWARK—John D. Sullivan, state agent of Crum & Forster for many years, was elected president of the New Jersey Field Club at the annual meeting. He succeeds George H. Martin. Vice-president is Ferd G. Adams, Travelers Fire; secretary, Harry W. Kohler, Continental; treasurer, Harold W. Wittich, Providence-Washington; executive committee: George H. Martin, New York Underwriters; C. P. Carlson, Automobile; Victor L. Pitchford, American; and E. Milton Hackney, Jr., Central of Baltimore.

### Woodward Great American Special in Kentucky

Gaston M. Woodward has been appointed special agent in Kentucky by Great American to assist State Agent R. K. Langan. Mr. Woodward succeeds former Special Agent E. W. Short, who entered the service last September and is now a lieutenant (j.g.) in the navy.

Mr. Woodward was for 20 years with the Oklahoma Inspection Bureau. His headquarters will be in the Starks building, Louisville.

### West Virginia Association Elects Wilson President

At the annual meeting in Huntington the West Virginia Fire Underwriters Association elected D. E. Wilson, Phoenix of London, president; Paul E. Briggs, Commercial Union, vice-president, and A. S. Whiteley, Wheeling,



IN PARTS of the South Sea Islands it is believed that the sea is responsible for man's success or failure. Sailing, therefore, is intimately connected with spirit influences, and sacrifices are made that safe passage may be assured.

These sacrifices are made near dangerous rocks or other hazards. Usually a fowl's feather or a tuft of pig's hair from the cargo is offered—sometimes a bit of food. The evil spirits are thereby propitiated in any danger at sea by the offerings cast to them among the waves.

Those we call uncivilized in many parts of the world still offer sacrifices to the spirits that destruction of life and property may not befall them. This practice—which literally embodies the payment of a premium to prevent ill fortune—may well be interpreted as the basis for our modern custom of paying an insurance premium to indemnify against loss.



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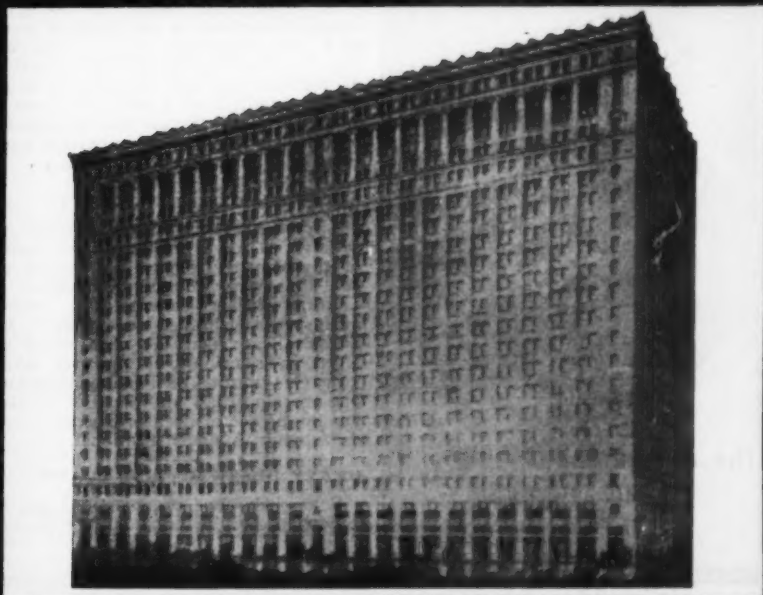
The Insurance Exchange Building houses the offices that write more than 90% of the premiums of fire, casualty and allied insurance lines produced in Metropolitan Chicago. Here is time-saving convenience and profitable insurance opportunity awaiting your business enterprise.

Write, today, for complete rental information.

R. C. Swanson, Manager

# Insurance Exchange Building

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W. Va., reelected secretary-treasurer. The executive committee consists of J. E. Tetlow, Jr., Fireman's Fund; A. E. Douglass, Corroon & Reynolds; W. H. Keaton, Boston; E. T. Belanger, Scottish Union, and V. K. Smith, Norwich Union. George M. Hampton, Great American, one of the holdover members of the executive committee, was elected chairman of that group.

### Collins Elected President of Buffalo Field Club

E. T. Collins of Home was elected president of the Buffalo Field Club at the annual meeting. P. M. Taylor of North British group was named vice-president and R. F. Huffman, Travelers Fire, secretary.

### Iowa Field Groups Meet

DES MOINES—About 60 Iowa field men attended meetings of the Iowa Fire Underwriters Association and the Iowa Fire Prevention Association at which plans for 1944 were discussed.

The Fire Underwriters Association pledged full support to the Des Moines Junior Chamber of Commerce post-war planning project. Claude Borrett, Hanover, reviewed the S.E.U.A. case.

The Fire Prevention Association announced the first inspection of the year at Vinton Feb. 16. R. E. Vernor, Western Actuarial Bureau, Chicago, will speak.

### Initiate in Seattle Jan. 31

The Seattle Blue Goose will hold its semi-annual meeting Jan. 31 and initiate 10 candidates.

The ladies auxiliary has elected Mrs. E. W. Trenbath president.

### Ind. Attorney General Speaks

Attorney General Emmert of Indiana addressed the Indiana Fire Underwriters Association, discussing and commenting on the briefs filed by some 37 states in the S.E.U.A. case before the United States Supreme Court.

He believes the insurance business will do well to use its influence in favor of improving regulatory conditions in those states where such action may be advisable. He said that, through such cooperation in Indiana, conditions

in the state are recognized as being above the average in merit.

A memorial resolution was read for the late John H. Hellekson, for many years state agent of Springfield F. & M. in Indiana.

Marshall R. Beall, Royal-Liverpool, chairman of the educational committee, reported on its work in cooperation with the Indiana Casualty & Surety Managers Association and Indiana Association of Insurance Agents in putting on the N.A.I.A. course.

### Alexander Pittsburgh Speaker

At the monthly meeting of the Smoke & Cinder Club in Pittsburgh, Ralph Alexander, deputy insurance commissioner, explained the workings of the State War Inspection Service. The club is the local evaluating committee for western Pennsylvania.

A committee was appointed to revise the constitution.

### Callaway to Glens Falls

Glens Falls has appointed Norman G. Callaway of Little Rock as special agent for Arkansas and Louisiana. He has had many years of experience in the territory. He began his insurance career in Arkansas but later transferred his headquarters to New Orleans. During 1943 he returned to Arkansas.

The Western Reserve Ohio Blue Goose puddle is holding an initiation, business meeting and dinner Feb. 7. George H. Wilkinson is chairman of the committee.

In reporting the marriage of W. R. C. Stewart, Tennessee special agent of Phoenix Assurance, and Miss Betty Hayes of Chattanooga, the bridegroom was incorrectly named as W. R. C. Crawford.

The Wisconsin Blue Goose is giving a testimonial luncheon Jan. 29 for Frederick W. Edler, state agent of New York Underwriters, who has completed 50 years of service with his company.

The Iowa Ladies of the Blue Goose are holding a luncheon and a bridge party Thursday. Mrs. E. H. Warner is chairman.

The 260 Ohio field men who have volunteered as security inspectors under the SWIS plan inspected 1,065 risks in 1943.

The Alamo Blue Goose, San Antonio, voted to repeat its visit to the Red Cross blood bank in cooperation with the claim men's association. The winter party will be held Feb. 28.

## CHICAGO

### AVIATION SPEAKER SLATED

W. Percy McDonald of Memphis, who is chairman of the aviation insurance law committee of the American Bar Association, will address a meeting of the Chicago Bar Association insurance committee at a luncheon meeting Jan. 28. He will discuss the Lea aviation bill in Congress and other current questions affecting aviation insurance.

### SMITH CASE HEARING FEB. 11

Circuit Judge LaBuy at Chicago has set Feb. 11 for a hearing on the motion of the attorney general to dismiss the suit that was brought by Graeme H. Smith, Chicago agent and broker, against the insurance department. Mr. Smith alleges that the department delayed in renewing his license, taking away his means of livelihood without due process of law and that the act placing the power of licensing agents in the department is unconstitutional.

### HEAVY DENTS BY THE DRAFT

Some insurance organizations are hit amidships by the draft largely because they have built up a personnel of young men. Take, for instance, the Western Adjustment. It has lost 177 adjusters

to the service. That makes a big dent in the organization. Manager Sellery conducted a school in which he trained promising young men in the adjusting line and they became very efficient. He prided himself on the type of organization he had built up. His policy was an ideal one in peace times. The Western Adjustment is carrying on in its regular successful way but naturally the work has to be absorbed by others.

While losses numerically are less, in severity they are greater. There are more large fires than there have been for many years. Automobile losses are less in number. The larger fires are due to the conditions of the times, speed in operation, lack of good housekeeping, more or less indifference and carelessness in taking care of obvious hazards, through inexperienced help, etc.

### DISTAFF MEETING

Several new members joined the Insurance Distaff Executives Association of Chicago at the January meeting, bringing the total to 38. L. S. Jones, manager of Ocean Accident and president of the Insurance Federation of Illinois, discussed "Why an Insurance Federation?"

## NEW YORK

### LOSS EXECUTIVES LUNCHEON

Officers elected at the annual meeting of the Eastern Loss Executives Conference are: President, D. B. Sherwood, general adjuster Commercial Union; vice-president, B. B. Gracey, assistant secretary Hartford Fire; secretary, R. C. Williams, assistant general adjuster North British; treasurer, Charles Forssell, secretary Northern of New York. Members of the executive committee are: W. G. Vail, general adjuster Phoenix Assurance; L. A. Strong, superintendent loss department Security; E. H. Lamond, assistant secretary Pacific National; H. B. Murtha, assistant general adjuster Home; K. T. Cookingham, assistant secretary of Automobile; W. R. Cunningham, manager loss department Federal.

### REINSURANCE COURSE SCHEDULED

The Insurance Society of New York is again scheduling a course, beginning with the February semester, covering reinsurance and with special application to the broad general principles and problems of each branch.

The first time such a course was offered by the society was in 1941-42. Although there was some difficulty in getting the outline of the course together owing to the many angles of the subject, the class of 20 students was largely made up of older men in responsible positions and the course was entirely successful and attracted much favorable attention.

Registrants for the course represent Asia, Europe and South America.

### ASSIGNED LOSSES UP 23%

Incurred losses assigned to the committee on losses and adjustments of the New York Board during 1943 totaled \$5,072,357, as compared with \$4,124,693 the previous year, an increase of 22.97%.

Manufacturers Fire has been admitted to membership in the board.

### Two Army Ordnance Fires Cause \$4 Million Loss

Each of two army ordnance depot fires during the past week caused loss, according to newspaper reports, estimated at \$2,000,000. The first fire destroyed the fourth service command ordnance base shop and a warehouse at the Atlanta ordnance depot, and the second involved three temporary storage buildings of the Ft. Wayne army ordnance depot.

### Ask E. C. Reduction in Tenn. Under New N. Y. Form

NASHVILLE — Formal announcement by Commissioner McCormack of the department's approval of the new New York standard fire policy effective March 1 has led to a statement by President Joe Bandy of Nashville that the Tennessee Association of Insurance Agents, while it approved the adoption of the form, will seek a reduction of rates on extended coverage because of elimination of the fallen building clause in the new form. Elimination of this clause, Mr. Bandy says, "removes the assured's incentive for buying extended coverage and we need the rate reduction to supply an incentive." He said the association had been working on such a reduction for some time on the basis of past loss experience, which justifies a cut. Mr. Bandy expects the association's directors, at the quarterly meeting in March, to make a request for the reduction.

### TENTATIVE APPROVAL IN ARK.

LITTLE ROCK—Tentative approval of the 1943 New York standard fire insurance policy has been granted and it probably will become effective in Arkansas March 1, Commissioner Graves announced.

Mr. Graves said he had advocated its adoption for some time and had suggested that, if it were adopted, the new regulations apply to all current outstanding policies. He said the New York policy will be adapted to fit Arkansas needs.

### Premiums Can't Be Recovered

COLUMBUS—Even though an agent who was an employee of a municipality had violated the Ohio law by writing insurance for a county, which made the contract voidable, after it has been performed and the company has paid losses sustained by the county during the period, the premiums can not be recovered, Attorney General Herbert of Ohio has ruled.

The Portland (Ore.) Association of Insurance Agents reopened its study course Jan. 24 with the first class on fire insurance.

## Casualty Underwriter

An old established insurance office wants a man with not less than 10 years general casualty underwriting and "counter" experience.

A legal training is desirable.

He should also be draft exempt and not over 45.

To a man in the \$3,000.00 to \$4,000.00 class promotion will not be hindered by seniority.

Employer Pays The Fee.

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### WANTED

Two girls one for stenographic and general insurance work and one experienced typist and calculating machine operator. Both permanent positions. Apply Oil Insurance Association, Rm. A2123 Insurance Exchange Bldg., Chicago, Ill.

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## States Rights Bill Debate Is Broadcast

The American Forum of the Air program over the Mutual Broadcasting System from Washington Tuesday evening consisted of a debate on the insurance states rights bills in Congress, with Senator O'Mahoney of Wyoming and Representative LaFollette of Indiana representing the opposition to the bills and Representatives Gwynne of Iowa and Miller of Connecticut speaking in favor of the legislation. Mr. Miller is a local agent in private life.

The discussion fell very largely into the pattern that has become familiar to those in the insurance business who have been following the hearings at Washington.

In one point the moderator asked the significant question of why for nearly 80 years, since the Paul vs. Virginia decision, there have been no federal anti-trust or other prosecutions of insurance companies. O'Mahoney made the amazing statement that one reason was that until Francis Biddle came along none of the attorney generals had enough money to bring such action. Apparently quickly realizing that he would draw a zero for this answer he said that a more important reason was that not until recently through certain New York insurance department reports and statements did the federal government learn that there were questionable practices in the industry. He alluded to a statement of former Superintendent Pink of New York that the Interstate Underwriters Board had not adhered to the principles upon which it was founded and O'Mahoney thereupon proceeded to devote considerable attention to the I. U. B. as he did at the Washington hearings.

Another question was why the Department of Justice did not go to Congress and ask for legislation unequivocally to bring insurance under the Sherman anti-trust law. LaFollette answered that practically all the lawyers think that the old case of Paul vs. Virginia is bad law.

At one point O'Mahoney sought to read a sinister implication into the fact that the constitution of the Western Underwriters Association requires that seven of the 10 members of the governing committee be residents of Illinois. He sought to create the impression that this means that a band of Illinoisans are fixing the rates for those in other states and the latter states do not have representation. There was a guessing contest among the panel as to the significance of this provision, one member suggesting

it was because 70% of the business is done in Illinois. It did not occur to any member of the group that it is because the western departments of the fire companies are located in Chicago.

LaFollette and O'Mahoney dwelt at some length on charges that under the present rating practices chain stores and other large enterprises get advantageous rates. LaFollette declared that chain stores get rates 40 or 50% better than those of local merchants and he said he was surprised that the states rights bills

were endorsed by the American Association of Small Business Men.

### Examiners on 44 Hour Week

OKLAHOMA CITY—Commissioner Read of Oklahoma has placed state department examiners on a 44 hour week, eight hour day during the week and a four hour day on Saturdays, providing company offices are open. The order applies to examinations outside the state as well.

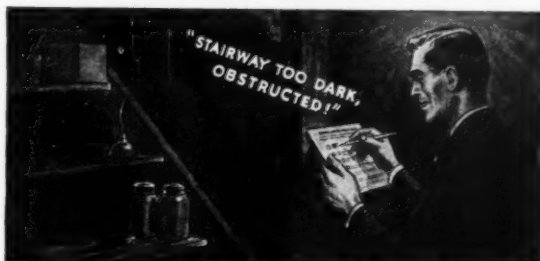
## Convention Dates

Feb. 15, Insurance Economics Society, annual meeting, Chicago, Drake Hotel.

Feb. 15, Health & Accident Underwriters Conference (mid-winter), Chicago, Drake Hotel.

March 8-9, Fire Underwriters Association of the Pacific, San Francisco.

March 23-24, Minnesota agents (mid-year), Minneapolis, Radisson Hotel.



## This check-up may save a life in your home

You have probably heard that more people are injured at home than away from it. Did you know that half of these injuries are due to falls? For example, down poorly lighted, obstructed stairways—like the one in the picture.

It isn't commonly known, however, that in the United States each year over 500 children less than four years old die from accidental poisoning at home. Many older people too.

Everyone of us ought to do something about these home accidents. Be your own safety engineer. Check this list of typical dangers and then correct faulty conditions.

### Check List for Home Safety

Published with permission of National Conservation Bureau

Look about your own home at the earliest opportunity and ask yourself these questions:

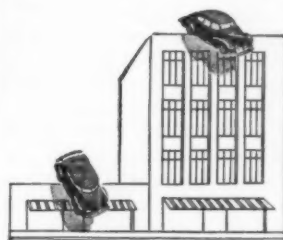
- Yes No
- ☐ Are stairs and steps kept free of obstructions and well-lighted? Is there a handrail?
  - ☐ Are rugs and floors slip-proof?
  - ☐ Are all baby toys free of sharp edges and too large to be swallowed?
  - ☐ Are sharp tools, poisons and firearms kept out of the reach of small children?
  - ☐ Is baby's bedding and clothing always pinned, buttoned or folded in such a way that smothering is impossible?
  - ☐ Are matches and pins and needles kept out of reach of children?
  - ☐ Are precautions taken against burns or scalds; particularly to small children in the kitchen and bathroom?
  - ☐ Are chimneys, stovepipes, and gas connections in good condition?
  - ☐ Do you guard against carbon monoxide poisoning and oxygen deprivation in your home and car?
  - ☐ Is the electrical equipment throughout your home in safe condition?
  - ☐ Is your home customarily free from accumulated trash and litter, particularly in out-of-the-way places?

### Why risk your money and property this way?

A recent survey of 2374 (men) heads of families showed that 89% had no personal liability insurance. These people are all exposed to possible damage suit losses running into thousands if someone is injured on their

property or because they own a dog or play golf, etc. You don't have to be at fault to be sued, and lawsuits cost money.

You can buy a Comprehensive Personal Liability Policy for as little as \$10 a year.



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### How does speed affect the force of a collision?

The wartime cut in automobile speed has saved many lives. At 20 m.p.h. a car will collide with a fixed object with the same force as if it dropped 13½ feet. At 40 m.p.h. the impact is the same as if the car dropped off a building 54 feet high. At 60 m.p.h., 121 feet high.

### Does fire insurance cover explosion?

Fire resulting from explosion—yes, but usually not straight explosion damage which can be as destructive as fire. At small cost you can have the Extended Coverage Endorsement on your fire policy insuring you against loss from Explosion, windstorm, hail, riots, smoke, aircraft and motor vehicles with certain exceptions clearly stated in the endorsement. Consult your agent or broker or write us for a copy.



### Why are most insurance rates lower today?

Well, for one thing insurance companies themselves, years ago, took the lead in setting up standards of safety—and getting these accepted. In accident pre-

vention and reduction of fire hazards they have worked together with manufacturers, with civic authorities, with schools and with other policyholders.

### "I have confidence"

Americans for generations have had confidence in this trademark on an insurance policy. A Hartford agent or your broker can tell you about the reputation, the financial strength and the record of performance which back up the Hartford stag.



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Hartford Accident and Indemnity Company

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Hartford, Connecticut

Writing practically all forms of insurance except personal life insurance

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### OPPORTUNITY FOR TWO FIELD MEN

Two field men needed for Illinois and Iowa territory by well-established Mid-Western Company. Give experience, age and draft status. Our organization knows of this advertisement. All replies will be treated confidentially. Address Box U-1, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

### EXPERIENCED FIELDMAN WANTED

For Illinois outside Cook County by old established stock company. Excellent opportunity for right man. Address T-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED CLAIM ADJUSTER

Female. Marine insurance or motor claim experience required. Well established Chicago firm. Permanent post war future. State experience, age and telephone number. Starting salary \$175 to \$200 monthly. Address V-3, c/o The National Underwriter Company, 175 West Jackson Blvd., Chicago 4, Illinois.

### WANTED OFFICE MANAGER

A well established General Agency in North-western Ohio has an opening for someone desiring inside work. All replies will be treated confidential. Address application giving age, experience, salary and draft status to Box U-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## EDITORIAL COMMENT

### A Schism in Washington

The joint price adjustment board in Washington, in deciding that insurance contracts are not subject to renegotiation, obviously did not consult Attorney General Biddle. The ruling of the adjustment board was based upon the proposition that insurance is neither "work" performed under subcontract, nor an "article" that is furnished and required for the performance of another contract.

Mr. Biddle, at least in his brief before the federal district court at Atlanta stoutly maintained that insurance is an economic good, a commodity, an article. Had he gone further in giving third dimensions to insurance and described its flavor, we are sure that the judge would have tried to munch on it during the recess. Mr. Biddle should let the price adjustment board try his record on their pianola.

### Recognizing the Younger Men

In recent times some of the more important local agencies throughout the country in strengthening or reorganizing their mechanics and personnel have taken as partners younger men in the organization that have proved themselves capable of conducting business along safe and substantial lines. Many of these young men are producers, some are office men, some are underwriters, some are field men. These offices that have seen fit to recognize the men down the line realize that it has a wholesome effect to promote those that have been associated with the office and have proved themselves worthy. It gives encouragement to those still further

down the line because they are made to feel that there is, something better for them in the future if they grow up in stature.

In some cases it is desirable to secure outside talent to bolster an agency and yet there is certainly much to say in favor of using those in the organization if they are capable of meeting the demands. They do not have to get acquainted with the agency, its personnel and procedures. They have an advantage at the start in this respect. Young men are encouraged in this way to make a greater effort to fit themselves for promotion whenever the proper time comes.

## PERSONAL SIDE OF THE BUSINESS

Joseph Barker, Jr., partner and general manager of the Foster-Barker agency, has been presented the Junior Chamber of Commerce distinguished service award as the outstanding young Omaha man of 1943. He is a past president of the Omaha and Nebraska Associations of Insurance Agents.

The Alton (Ill.) Junior Chamber of Commerce gave Dudley F. Giberson, well known agent of that city, a distinguished service award for outstanding contribution to the welfare of the community. This was made at the annual founders day banquet. Mr. Giberson is prominent in local civic circles. He has served the Boy Scouts as board member, commissioner and chairman of the health and safety committee. He has served the Alton Rotary Club as president. During the 1943 flood he rendered outstanding service as chairman of the emergency automobile corps telephone operators of the American Red Cross. He headed the Red Cross war relief campaign in 1940. He has been active in all Red Cross, community chest campaigns, war bond sales, etc.

Still able actively to manage his local agency and to spend almost every day at his office, Gen. J. F. Howell of Bristol, Tenn., celebrated his 98th birthday Jan. 17, receiving among congratulatory messages a letter from President Roosevelt.

Governor William H. Wills of Ver-

mont, formerly a well known local agent at Bennington, Vt., has announced his candidacy for the United States senate from Vermont.

Lieut. C. Melton Wesley, former special agent of Central States Fire at Tulsa, Okla., and Mrs. Wesley are the parents of a son, born at Sioux Falls, S. D., where Lieut. Wesley is assigned to an air base.

Assistant U. S. Manager J. L. Mylod of North British & Mercantile left this week on a two-week agency trip to Chicago and other mid-western cities.

W. H. Miller, Illinois state agent of National Union, entered a hospital at St. Charles, Ill., this week for an operation that will keep him off the road for about two months.

Samuel P. Rodgers, vice-president of State of Pa., is making an agency trip through Wisconsin this week.

## DEATHS

Frank D. Epps, 65, member of the Richmond agency of Epps, Epps & Co., died there. In association with his brother, the late J. L. Epps, he organized the agency 40 years ago.

Frank M. Langlois, supervising underwriter of Home for New England ter-

ritory, died of a heart attack. He graduated from Yale in 1903 and had been in the insurance business since 1904.

Vern Tracey, field representative for Central Manufacturers Mutual in Oregon and Washington, died recently.

Eugene E. Hogle, 50, public relations director of the National Automobile Club, died in San Francisco after a long illness. He was known by practically every local agent in California, members of the legislature and company executives and employees. He was with the club 15 years and before that had been for 16 years with the Philadelphia Automobile Association.

Frederick G. Drew, 86, local agent and field man for more than 60 years, died in Belmont, Mass. He started with the D. V. Vilas & Co. agency, Waltham, Mass., and later was with George L. Parker & Co. in Providence. After some years in the field for the Employers group, he conducted a local agency in Belmont. His son, Ernest L. Drew, heads an agency in Springfield, Mass., and a grandson, E. L. Drew, Jr., is also with that agency.

Fritz C. Borman, 54, Sioux City, Ia., local agent, died in a hospital there from pneumonia, which had confined him to his home and the hospital for more than three months. He entered the insurance business in Sioux City in 1919 with Chris Berthelsen, as Berthelsen & Borman, taking over the agency on Mr. Berthelsen's death several years ago.

L. H. C. Swan, veteran agent at Pittsburg, Kan., since 1908, died suddenly.

John W. Deer, 67, veteran Neodesha, Kan., agent, and his daughter, Mrs. Harold Brown, were fatally burned in a gas explosion in the agency office. Two clients in the office at the time were severely burned and removed to a hospital.

Charles M. Talbert, 73, vice-president and treasurer of the Standard Underwriters Agency, St. Louis, died from a heart ailment. He entered the insurance business in 1919 and several years ago joined the Standard Underwriters Agency through a consolidation of the firm with which he was associated with one headed by Orion D. Evans, newly elected president of the Insurance Board of St. Louis.

### To Press for Investigation

WASHINGTON — Representative Lynch, New York, tells THE NATIONAL UNDERWRITER that after the holidays he will take up with the House committee on rules, with a view to action, his resolution calling for investigation of the fire insurance business by a special House committee. So far, Mr. Lynch says, he has gotten a favorable reaction from other sources to his proposal.

Mr. Lynch says he has heard complaints of discriminatory fire insurance rates. However, he said, he did not know of any organized group that favored the investigation.

"The fire insurance companies are trying to hamstring the Supreme Court," said the New York Congressman. "It seems to me that when an effort like that is made to keep the court from making a decision on the facts, the situation should be investigated. My resolution would accomplish that purpose."

"There is no question that the insurance companies charge discriminatory

## IN U. S. WAR SERVICE

R. F. Vance, state agent in Kentucky for Metropolitan and Commercial Casualty, has been inducted into the navy. His duties for the duration will be divided between Roger Martin and George Akin, state agent. Prior to going with Metropolitan and Commercial two years ago, Mr. Vance for 16 years was in the insurance department of Fidelity & Columbia Trust Co., Louisville.

S. R. Weissbuch, underwriter of the Alliance Assurance Agency of Chicago, now is a sergeant of a medical unit in England.

Second Lt. J. B. Johnston, son-in-law of Harold V. Smith, president of Home, has been reported missing in action in the European theater.

Lt. N. C. Flanagan, formerly head of the business extension department at the Chicago home office and second vice-president of Lumbermen's Mutual Casualty, has recuperated from a serious operation in the navy hospital at San Juan, P. R. Lt. Flanagan visited the home office last September and shortly thereafter went to sea.

T. L. Osborn, Jr., formerly assistant secretary of National Retailers Mutual, has been promoted to first lieutenant. He is an instructor in the army specialized training program at Lake Forest (Ill.) College.

Arthur Goodall, Illinois state agent for Phoenix of Hartford, is reporting for induction into the army at Ft. Sheridan, Ill., next Monday. Mr. Goodall formerly was Iowa state agent for New York Underwriters. Lawrence L. Neff, examiner in the Chicago office of Phoenix, is reporting at Ft. Sheridan next Wednesday. The Chicago office of Phoenix will then have 12 stars on its honor roll.

First Lt. Richard G. Fawkes, Madison, Wis., in the legal department of Employers Mutual before he entered the service, is a trial judge advocate at Ft. Lewis, Wash.

Lt. James C. Geisler, adjuster of London & Lancashire Indemnity in Madison, Wis., before he enlisted in the marines, is stationed in Hawaii as a physical training officer.

William A. Sadler, assistant superintendent of the bonding department of Century Indemnity in the western department for the past 13 years, has been inducted into the army and reports for duty Jan. 29 at Fort Sheridan. Before going with Century Indemnity Mr. Sadler was for two years with the bonding department of Royal Indemnity in New York. He started in the business with National Surety.

Lieut. H. J. Schoeppe, former southern Kansas state agent of North British, has been transferred from Camp Walters, Tex., to Ft. Washington.

W. C. Wright, who has been in the purchasing department of North America for three years, will be inducted into the army this week.

That is fairly well established, according to information. There may be some answer to it that I don't know of, or some reason for it.

"Let us find out how the rates are made and by whom."



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## Late Casualty News

## CAA Report on Private Flying

According to a report issued by the Civil Aeronautics Authority in Washington on aviation insurance of private flying no substantial changes in the underwriting of coverage on flyers or airplane travelers by life insurance companies can be expected for several years, until flying has developed further. The high annual dollar cost of protection for the private pilot is due to the poor safety record and lack of actuarial experience on this type of risk.

The report commented that cost of insuring a new plane is about 12% of list price, and an old one can be insured for 50% of its original price for 8% of list. Hull, P.D. & P.L. and passenger liability costs the owner of a \$2,000 plane from \$368 to \$414 the first year, and \$280 to \$326 the second year. Comparable automobile cover, the report states, costs \$50 to \$75 a year.

For the period 1938-41 inclusive, total hull premiums averaged about \$26 a registered plane a year and total plane coverage about \$35 a year. Experience 1938-42 inclusive on private planes showed net premiums, incurred losses including allocated claim expense and loss ratio: Hull, \$1,942,203, \$1,067,194, 54.9; passenger liability, \$201,100, \$20,028, 10; public liability \$252,145, 10,734, 4.3; and property damage, \$199,114, \$15,269, 7.7; total, \$2,594,562, \$1,113,225 43.

The report comments that casualty companies seek to anticipate experience on new type aircraft in rating and indicate they will continue to follow this policy after the war.

W. A. M. Burden, special aviation assistant to the secretary of commerce; John H. Geisse, CAA consultant, and Samuel C. Williams, special CAA consultant, prepared the report.

## Bush Talks to St. Louis Buyers on Fidelity Cover

ST. LOUIS—Henry Bush, St. Louis manager of the U. S. F. & G., spoke on dishonesty insurance before the Insured Members Conference of the Associated Industries of Missouri.

He said the interest of buyers in fidelity insurance has never evidenced itself to the same degree as in other forms of insurance. "This, to us in the business, is somewhat paradoxical," he continued, "since hardly anyone would challenge the thought that one of the first principles of good business management is the all-important necessity of throwing safeguards around your assets in adequate forms and amount to be sure that they do not literally filter through your fingers unnoticed, in the beginning. It logically follows that any instrument which tends to provide stability for your tangible assets also provides the stability for your credit."

Mr. Bush then discussed why fidelity insurance is a necessity, length and breadth of fidelity coverages, the claim approach and settlement—adequacy of bond.

In the latter, he said, lies the meat of the coconut, since if there never are any losses, almost any form of bond will do and almost any type of company—"but it is when you have the losses staring you in the face that brings forcibly home to you the necessity for the careful selection of the proper bond form that fits your needs, and of your surety, from the standpoint of stability and management."

Lt. Jerome Ennis, son of Gresham Ennis of Crum & Forster, is a prisoner of war in Germany, according to a broadcast from Berlin. He had been reported missing.

## Baltimore Offices and Help Problem

## Some Local Characteristics Affecting Employers in That City

BALTIMORE—Insurance companies here have been hard hit by the shortage of help because Baltimore, like Hartford, is an industrial city and the only help available is among high school girls who, generally speaking, have little knowledge and less ambition to learn anything about the work they are doing. However, one trouble the Baltimore companies do not have to contend with to the same extent as companies in New York City do, for example, is the competition among themselves for each other's employees. They all pay about the same wages and do not favor taking help from each other, avoiding it whenever it is possible. Competition comes from the outside war factories and government agencies.

## Sabotage Was Threatened

Executives in discussing the situation say it is simply a case of "dig in and hold the fort." The older and more experienced employees are taking on more work because they find in many cases it is easier to do that than try to train green help that is not interested. One company had an experience with five girls in one department who "ganged up" on the department head and declared if their demands were not met, they would wreck the department, and the company. The department head was not worried about either threat and one by one as each member of the "gang" left, she was not replaced. The work was realigned and by the time all five girls had gone, it was found that it would not be necessary to replace them. It had a salutary effect on the rest of the employees.

The hardest part now is that key men are being taken and it is impossible to replace them because they have years of experience behind them. Company executives are selecting the more mature and experienced women employees to take over the work wherever they can. One company estimates that it now has five women to every one man employed and that the women are doing a satisfactory job.

## Federal Surety Wound Up

DES MOINES—Final report and liquidation of Federal Surety of Davenport has been approved by the court with a dividend of 7½% paid on claims, Commissioner Fischer reports.

Federal Surety went into receivership in 1931 with some \$20,000,000 in claims and assets of only \$450,000. The dividend, the first and only one paid, amounted to about \$430,000, he said. A small balance was left to close the receivership.

Some preferred claims, only a few, have been paid in full. Many of the other claims were involved in litigation the past 13 years.

## Degelman Joins Rhode Island

Rhode Island has appointed J. G. Degelman manager of the inland marine department at Providence. He was marine manager for Hall & Henshaw in New York City for seven years and previously was assistant hull underwriter for Talbot, Bird & Co., and later underwriter in its inland marine department. He was also associated with Albert Ullman.

C. B. Coleman, resident manager Fidelity & Deposit and American Bonding, announces removal of their offices from 526 Northwestern Bank Bldg., Minneapolis, to rooms 1151-1153. C. A. Mathews is special representative for both companies.

## Am. Auto Shows Splendid Results

American Automobile assets increased by more than \$3 million last year and its surplus to policyholders by more than \$1 million.

In both 1943 and 1942 the company showed a statutory underwriting loss. However its actual earnings were substantial in both years as shown by the amount of federal income tax paid on its 1942 operations and its reserve for federal income tax on its 1943 profits, the income tax reserve for the latter year amounting to \$770,000. This is in addition to the reserve of American Automobile Fire of \$165,000. This is due to the fact that a reduced loss ratio has the effect of increasing the claim reserve instead of reducing it.

Assets now total \$31,579,130; unearned premiums, \$7,021,763; claims reserve, \$9,629,287.

Capital is \$2,000,000 and surplus \$11,087,722.

Net premiums written were \$14,204,873, as compared with \$14,112,576 in 1942. Premiums of the fire company were \$5,104,232 against \$4,706,090.

Losses incurred including adjustment expense were \$7,403,912, the ratio being 54.5, and for the fire company \$2,119,562, and 43.2.

## Eliminate Salesman Penalty

WASHINGTON — The conference committee of the revenue bill has agreed tentatively upon a Senate amendment relieving the taxpayer of penalty under the pay-as-you-go income tax law in connection with estimates of future income, provided he pays quarterly an amount equal to his quarterly tax on the preceding year's income.

Commission salesmen have complained that it is impossible to estimate in advance a year's income, yet they are

subject under existing law to a 6% penalty if they underestimate more than a certain amount.

## Pontiac Officers Reelected

PONTIAC, MICH.—At the annual meeting of the Pontiac Association of Insurance Agents all officers were re-elected. W. O. Hildebrand, secretary-manager of the Michigan association spoke on how to conduct a successful public relations program. He recommended that local boards tie in their activities with chambers of commerce, school officials, and the fire prevention division of fire departments.

## Wernet with Home in Detroit

L. C. Wernet has been appointed special agent for Home of New York in Detroit, with headquarters in the Buhl building. He was previously with Atlas as assistant examiner and served 12 years with the National Inspection Co. He was chief engineer of Northwestern Mutual Fire for two years. His most recent assignment has been chief inspector for the 5th service command.


## Investigate East Hartford Fire

HARTFORD—The FBI, East Hartford police, state police, and the East Hartford fire department are investigating causes of the fire which razed the 6-acre plant and yards of the Campagna Boat Construction Co. with a loss estimated at over \$750,000.


The insurance was placed in New York.

## Ohio Cas. Not Buying Stuyvesant

Officials of Ohio Casualty stated this week that the company definitely is not seeking to buy Stuyvesant Fire of New York. President Howard Sloneker of Ohio Casualty was in New York early this week, returning to Hamilton Wednesday. He said that such a deal was under consideration several weeks ago but Ohio Casualty turned it down.



## SOUND SOLID SUCCESSFUL




**NEW HAMPSHIRE  
FIRE INSURANCE COMPANY**

ORGANIZED 1869

CAPITAL \$3,000,000

MANCHESTER, N. H.



**GRANITE STATE  
FIRE INSURANCE COMPANY**

ORGANIZED 1885

CAPITAL \$1,000,000

PORTSMOUTH, N. H.

## EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON . . . PRESIDENT

JANUARY 30, 1914

JANUARY 30, 1944

FOR THIRTY YEARS OUR DOMINANT OBJECTIVE HAS BEEN  
TO ANTICIPATE ACCURATELY YOUR NEEDS IN

REINSURANCE OF CASUALTY - FIDELITY - SURETY

AND PROMPTLY PRODUCE COVERS TO FIT THEM EXACTLY.  
WE ARE INDEBTED TO HUNDREDS OF CARRIERS FOR THEIR  
HELPFULNESS IN OUR EFFORT TO ATTAIN THIS OBJECTIVE

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## Fidelity Bonds Showing Advance; Burglary Is Up

### Opportunities for New Business Are Many in Both Lines

BALTIMORE—Surety company figures show an interesting balance has been struck between declining contract bond business and rising fidelity lines. From the beginning of 1941 contract bonds showed a steady increase and reached their peak at the end of 1942. Beginning with last January the figures of leading companies show a downward trend for that line which, however, is balanced by a steadily increasing rise in fidelity, burglary and liability.

The explanation for the decline in contract bond business lies in the fact that last year new war contracts tapered off and of course there has been little or no construction of anything not relating to the war effort. The contract bond business faces a bright future after the war, say the executives, however, because there will be a demand for every type of construction. Highways all over the country will have to be repaired and rebuilt. Trucks and heavy army equipment which is constantly traveling over most of the main highways have broken the roads and there has been no upkeep on them.

#### Cause of Fidelity Increase

The increase in fidelity is attributed to the fact that more people are being bonded today than ever before because employers don't know their new employees. More money is being passed over the counters and surety companies find a considerable portion of the rise in premium volume comes from clients who are increasing the amounts of the bonds they already have. However, agents have not yet taken full advantage of their opportunity to perform a real service to policyholders by calling attention to the underinsurance in fidelity bonds to the same degree to which they call attention to underinsurance in fire lines, due to the increased value of stocks. For example, in every hamlet, town and city there are thousands of dollars worth of war bonds which in nine cases out of ten are put in safety deposit boxes in banks and agents would perform real service to bankers if they would call attention of bankers to the tremendously increased values being placed in their hands for safe keeping.

Forgeries are rife now and F. B. I. is constantly warning the public to beware of forged signatures. There is more money in the hands of ignorant people than ever before in the history of this country and they can easily be duped by a clever crook.

The increase in burglary is due to several causes. Stock values in stores of course have increased and since so many items are rationed there is a greater danger of theft. More people are making money than in the past and they have a natural desire to protect what they own. The comprehensive liability policy gave a great impetus to agents because of its sales appeal. This is something they can sell because it offers what the public wants. There was some fear at first that its broad coverage might prove its undoing from the underwriting company's standpoint, but

## Powerful Appeal in Reader's Digest for Group A. & H.

The first article in the February "Reader's Digest" contains a powerful appeal to employers to provide group accident and health cover for their employees. The author is Austin M. Fisher, who is identified as a well-known labor relations consultant who is retained by 50 American companies. The article originally appeared in "Forbes."

Mr. Fisher states that if free enterprise is going to survive it will have to provide a progressively modern standard of living for working people and at the same time give them reasonable security against the hazards of disability, old age, death and unemployment.

One of the sorest spots in the industrial body, he said, is the loss of income due to sickness. The average male worker loses seven to nine days a year and the average female eight to 12 days because of illness. Everyone who works for a living worries about this threat of sickness "unless he is employed in a firm where protection is a part of the scenery."

#### Employee's Attitude

Mr. Fisher asks the reader to look at the employee's problem through his eyes. He feels that he cannot save any money on what he makes. If he gets sick he can't see why the company doesn't give him as good a break as it gives the boss. If he gets sick they send him his check wrapped up in a bunch of roses. The employee doesn't care about the roses but he would like to have his pay check continue.

Unless the employer does something about this, according to the author, the politicians are going to do it and with the employer's money. They may put through a payroll health insurance tax that would be collected by thousands of new federal job holders. In order to put the plan across there would be plenty of drum beating about "selfish vested interest," and that would drive another wedge between the employer and his workers. The result would be that the country would get some sort of health insurance program but business would pay for it through the nose, it would yield less to the worker than if each business firm were to institute a sensible plan of its own, the politicians will be the heroes and "once again industry will look and feel like a tired old heel."

#### Disability Insurance Plan

"If you would like to do something about it," Mr. Fisher asks, "why not give some thought to working out a disability insurance plan?" He refers to the fact that these group coverages may be written either on a contributory or non-contributory basis.

The Gillette Safety Razor Company, he states, has one of the best plans of the contributory type. Incidentally this is a Travelers risk. A Gillette employee is eligible to participate in A. & H. benefits after three months on the job with coverage according to his classification. For example, an employee making between \$46 and \$60 a week may receive \$35 weekly benefit at a cost of only 70 cents a week. The company pays the rest. Payments for a six week period to women employees for disability

like the comprehensive automobile policy, once the novelty wears off, claim departments are not overburdened with an influx of minor claims which could mount up to an alarming size. Agents have turned to the burglary and liability lines to make up for lost automobile premiums and the results are gratifying, according to the figures of leading companies.

## CAA Study of Aviation Cover Still Hangs Fire

WASHINGTON—The Civil Aeronautics Authority report on aviation insurance that has been in process for a considerable time is being delayed further, it is understood, by the imminence of problems concerned with the international air situation claiming CAA attention. No report is expected until some of these problems are cleared up. A partial report on insurance for private flying is discussed in another story in this issue.

CAA officials say that the aviation insurance situation is very complex and the investigating staff has been trying to clear up the complexities involved. Hull and liability coverages are the only ones under study.

One angle of the investigation is concerned with the extent of foreign participation in aviation insurance in the United States. Officials say there appears to be nothing to prevent such participation.

#### Several Angles Under Review

State regulation of aviation insurance, the extent of competition in this field, the reasonableness or unreasonableness of aviation insurance rates are some of the problems CAA investigators have been surveying.

CAA is understood to have obtained considerable data from "the three leading underwriters" in the aviation insurance field. However, officials say that CAA has not full authority to obtain information; that it has to take what it can get.

This lack of authority has had something to do with the provision in the Lea aviation bill to authorize a new Civil Aeronautics Commission to investigate aviation insurance and reinsurance, state regulation thereof, rates, etc., and report to Congress. The Lea bill, however, now is reported to have little chance, and substitute legislation is being prepared.

CAA officials say that aviation insurance interests oppose federal regulation.

CAA reports great interest being manifested in aviation insurance on the part of private concerns. It is constantly receiving letters from insurance interests and others inquiring about aviation insurance, whether it is issued or required by CAA, whether, how and by whom it is regulated, and opportunities offered.

#### License Exams Sought in Va.

RICHMOND—Life and accident and health agents would be required to take license examinations under a bill introduced in the Virginia senate.

resulting from pregnancy are made. In addition there are hospitalization and surgical benefits. One of the most generous non-contributory plans is provided by E. I. duPont de Nemours & Co., Mr. Fisher states.

Mr. Fisher states that the National Industrial Conference Board found that the cost of providing sickness benefits for employees varies from .0025% to 1.7% of the annual payroll. In general a company can figure on a cost of \$25 to \$30 a year for an employee for insurance coverage or about 1½ cents per hour for each employee covered. Such insurance results in happier, healthier employees and is a way of giving them a break which the war labor board, the Treasury Department and everyone else will approve heartily. Also the employer will be achieving a new status as a bona fide member of the "growing fraternity of liberal minded and liberal acting business men."

"Why not get going on this today?"

## Start Liquidation of WTS Program for Army, Navy

### May Be Over by June 1: CAA Offers Planes to Private Buyers

WASHINGTON—What is regarded as the first step in the eventual liquidation of the war training service program under which private contractors give preliminary flight instruction to army and navy trainees has been taken with the announcement by the Civil Aeronautics Administration that it will discontinue training of flight instructors for the army and navy air forces. The WTS program is being sharply curtailed, and may be completely wound up by June 1.

The navy has written contractors that present contracts, which expire June 1, will not be renewed. Some 17 army primary schools are to be discontinued shortly. The CAA has eliminated for the army the secondary, cross country, Link trainer, and secondary instructors' courses. The only army course left in the hands of private contractors is the 10 hour army indoctrination course. The navy's WTS elementary program has been reduced in quota about 30%.

#### Services Have Own Facilities

The army and navy now have their own training schools tooled up to the point where they are able to handle replacements and take care of new men. By June 1, it is felt, the WTS program will have served its purpose in the war, although military developments in the next six months may alter the situation. There is quite a movement on foot now to set up a program similar to the WTS for schools and colleges that will use private contractors to provide flight training in connection with basic aviation instruction.

The aviation insurance markets are watching the WTS situation closely because the CAA already has started disposing of training planes Defense Plant Corporation owns, about 7,500. Surplus aircraft located in a region are to be offered for sale by that region. The aircraft will be sold to the highest bidder under sealed bids, to be accompanied by certified check for 10% of the bid. Aircraft will be offered as is, where is. The first offering has been advertised. Most of the planes are expected to go to contractors, who owned them originally. Some have been put in by army and navy.

Prices of aircraft are limited by OPA ceilings, as specified in the OPA order SR 14 AMDT. 72, Jan. 3, 1944. Some of the aircraft have been insured for more than the OPA ceiling, a situation which probably will be adjusted as planes go back into private hands. The price the planes will sell for is of interest to the aviation insurance market. The good ones should bring something close to present prices, which are high, but there probably will be a tapering off after the first rush is over. A number of planes have been hard used. These will be bought last and at prices sharply under present quotations.

As the planes go back into private hands, there probably will be an opportunity for placing more coverage than there has been on the same planes under the WTS program. Last year the Defense Plant Corporation purchased a number of the planes from private con-

(CONTINUED ON NEXT PAGE)

## Surety Producers Hold Convention

**T. C. Field Elected President; Plan Educational Campaign**

T. C. Field, St. Paul, was elected president of the National Association of Surety Bond Producers at its first annual meeting in Chicago Monday. Other officers elected are: Durel Black, New Orleans, first vice-president; J. B. Waters, Jacksonville, Fla., second vice-president; C. W. Olson, Chicago, third vice-president, and H. Phelps Smith, Nashville, reelected secretary-treasurer.

### Plan National Campaign

The association in a resolution committed itself to a concerted, nationwide effort to stimulate recognition of the importance and necessity of corporate suretyship. The resolution recommended that a study be made of the best methods for convincing the awarding authorities and owners of the advisability and economic soundness of corporate suretyship. The conference committee of the bond producers group will shortly contact company officials to determine on a cooperative course. The producers hope to outline a long range plan of education in both the private and governmental fields. One official commented that "we have failed to sell the public on the real values in the surety business."

### Representative Group Attends

A representative group attended the first convention, although the total number was held down by illness and inability to secure travel reservations.

Those elected to the executive committee for three years are Robert W. Thompson, Dallas, retiring president; Ray Siegfried, Tulsa; Fred Garrett, Louisville; Hammond Story, Atlanta; H. F. Warner, Kansas City; W. H. Kreidler, Cincinnati; Charles M. Young, Waterloo, Ia.; Frank O'Brien, Albany; Robert L. Cobb, Minneapolis, and C. R. Morgan, Charleston, W. Va.

Mr. Warner is chairman of the fidelity and surety committee of the National Association of Insurance Agents.

## Start Liquidation of WTS Program

(CONT' FROM PRECEDING PAGE)

tractors and then leased them back to those contractors through CAA. On such planes there is a master public liability and property damage policy written through CAA, but the CAA assumed the 80% of the hull risk, the private insurance market getting only 20%. There is also a negligence policy which has been written to cover the liability assumed under contract with Defense Plant Corporation and CAA, under which the contractor in case of negligence would have to pay for the entire plane.

Dr. E. F. Smellie is in charge of insurance matters under WTS.

The private contractors trained 207,000 pilots in 1943 which is considered an excellent job by private industry at a time when the army and navy could not step up facilities fast enough to produce the pilots they needed, and the work was done at a cost said to be lower than that of the services.

### Va. Boiler Bills Opposed

RICHMOND—Boiler inspection bills before the Virginia legislature based on the code of the American Society of Mechanical Engineers are being opposed by gasoline and oil dealers who object to the proposed periodic inspection of

## I. C. C. Insurance Section Reports on Year's Work

WASHINGTON—Work of the insurance section of the Interstate Commerce Commission and regulation of freight forwarders is summarized in the annual I. C. C. report. The insurance section is concerned largely with administration of rules and regulations under sections of the act governing the filing of security or insurance for protection of the public by motor carriers and brokers of transportation.

The report states that surety bonds, certificates of insurance, or qualifications as self-insurers are on file for some 22,000 motor carriers covering their liability for bodily injuries, death of persons, loss or damage to property of others resulting from negligent operation, maintenance, or use of motor vehicles in transportation subject to the interstate commerce act. Also, some 17,500 motor common carriers of property have on file one of the aforementioned types of security covering their liability to compensate shippers or consignees for loss or damage to cargo.

### Summary of Year's Work

During the past year, the report says, the insurance section received, examined and filed 51,206 certificates of insurance, 903 surety bonds, 10,207 notices of cancellation of policies or bonds and 1,349 rescinders of notices of cancellation and notices reinstating policies or bonds. It also handled five applications for authority to self-insure and in connection with self-insurance and surety bond work, examined and analyzed 172 financial statements filed by self-insurers and corporate sureties not authorized by the Treasury Department to execute surety bonds naming the government as obligee.

In carrying out its duty of keeping the I. C. C. informed as to "any apparent inadequacy in the financial resources or general stability of insurance companies" filing certificates in behalf of motor carriers, the section studied financial statements of 40 insurance companies.

### Helped Draft Insurance Rules

The section cooperated with the I. C. C. bureau of motor carriers and freight forwarders in drafting proposed rules pertaining to insurance security for the public to be applicable to freight forwarders. These were circulated to interested parties and were subject of hearing last October.

The report says 154 freight forwarders filed applications for permits, 20 of which have been granted, and 31 denied or dismissed. Hearings have been held or will be held on a number of such applications.

The commission recommends legislation to require reports from associations or organizations maintained by or in the interest of any group of carriers or freight forwarders subject to the act, also to give it the right to inspect and copy their accounts, books, records, etc.

### Special Operator's Policy

The casualty companies have agreed in West Virginia to write a special operator's policy for drivers of state owned cars at a rate of about 50% of the usual tariff. State Auditor Sims who is ex-officio insurance commissioner recently ruled that the state could not pay premiums for liability insurance on state owned cars and the court of claims upheld Sims' position. State officials say it is difficult to get drivers these days unless they are protected against personal liability claims.

small compression tanks. Farmers with portable steam plants for generating power are expected to object to the measures.

## \$16,452 Judgment Against Assured

Circuit Judge Finnegan at Chicago has entered a summary judgment against American Carloading Corporation totaling \$16,452 in behalf of Roy D. Kechn, receiver for Central Mutual of Chicago. American Carloading was a policyholder of the defunct Central Mutual and the judgment is for its assessment liability. The judgment consisted of \$14,118, plus 5% interest from Sept. 20, 1940. Attorneys for the receiver are Beckman, Healy, Reid & Hough of Chicago.

## Old Travelers Cal. Policy Tailored to Vigilante Days

Recently brought to light by Arthur S. Holman, manager of Travelers at San Francisco, is a 74-year old special "California Edition" accident policy, sold in 1870 through Pacific Coast agents. The policy, written on a housewife, Mrs. Othilia Man, is for \$2,000. Interesting terms include:

"No insurance is granted under this contract against any fatal or non-fatal injuries caused by Indians."

This then liberal policy was the Travelers' contribution to the celebration following the completion of the Pacific railroad linking California to the east: "The insured may travel from California to Omaha, Neb., or return in the cars of the Pacific railroad without permit."

The year 1870 fell during the old vigilante days in California, when only associations of business men maintained law and order, so the policy took this into consideration: "No claim shall be made when the death or injury may have been caused by dueling . . . etc. . . or by violating the rules of any company or corporation."

Californians accepted only one kind of money, gold coin. So in big bold type is promised in the policy "Loss payable in U. S. gold coin."

### War Department Refund Check

Delivery of a refund check to a War Department contractor under the war department rating plan at Texarkana, Tex., was accompanied by ceremonies. The check was delivered by Robert Maxwell of the F. W. Offenhauser & Co. agency of Texarkana to Lone Star Defense Corporation, a subsidiary of B. F. Goodrich Company, operators of an army ordnance plant at Texarkana. The check totaling \$571,624 was for the first preliminary adjustment under policies written for the construction and operation of the plant and covered a two year term. The standard premium exceeded \$2 million while the indicated premium was slightly more than \$500,000. Loss ratio was 14.4. The presentation was made in the presence of several officials of Lone Star and Col. Raymond Marsh, commanding officer Texarkana ordnance unit.

### Wolverine Sign Is Prominent

Wolverine of Lansing recently installed a large electric neon sign on top of its home office building at Capitol avenue and Washtenaw street. It is 20 feet high with a 6-foot clock face. It was built of scrap metal that could not be used for war production. It is attracting much favorable attention in the city.

### Nashville Study Course

The Nashville Association of Insurance Women will begin a 20-hour study course Feb. 4 on public liability and workmen's compensation. J. B. Latham, Hartford Accident, and W. G. McComas, Fidelity & Casualty, will be the instructors. The Nashville association has 33 new members.

## Wartime Insurance Program Now Is Well in Hand

WASHINGTON — Insurance men say that the government's program of casualty and related insurance is pretty well "buttoned up." Construction work for the armed forces has been largely finished, mostly by the engineering corps, so far as the army is concerned.

The ordnance department and army air corps are continuing to operate munition plants and other establishments in an orderly manner along lines, so far as insurance is concerned, that were laid down chiefly in the war projects joint rating plan.

### No Longer Any Mystery

The result is that there is no longer mystery in government insurance plans and operations. Whereas some time ago contractors and insurance interests were bombarding Washington with inquiries and applications relating to government insurance matters, now it is said that such matters are known and understood generally by insurance companies, contractors, advisers, agents and others concerned.

Government insurance and related operations have become so stabilized that some of the federal organizations concerned have been reducing their field forces.

## New Premium Finance Plan of American States

A new premium finance plan is offered to its agents by the American States through the Agents Finance Company. Auto and casualty premiums written for a term of one year or more, except policies involving an audit premium on less than annual basis, may be included.

Agents are furnished a finance agreement which is signed by insured. The agent collects 20% of the premium which he retains. When the policy is written in the home office the finance agreement is attached to the applications. When the policy is written in the agency the agreement is made out and attached to the daily report sent to the home office. Then the finance company issues a check for 75% of premium financed, which the agent may deposit the same as if collected from insured.

The entire premium on policies financed is charged to agent on his account current in month written and the agent pays account current in the regular course of business according to his agency contract when such account current is due.

Upon collection of the final installment on the premium financed, the Agents Finance Company sends a check to the agent for the balance or 5% of the premium.

The lapse date under the policy declarations is not inserted in financed policies, as other provisions are made for termination of coverage under the finance agreement. Coverages added by endorsement are collected in same way. The Agents Finance company adjusts insured's account if there is a return or additional premium.

### Fleet Rate Groups Working

The committees which were named by companies, agents and brokers writing automobile fleet business in Illinois, to work out with Insurance Director Jones the matter of equity rating such risks, have been holding meetings, and have scheduled a general meeting of all three committees within the next week to determine a course to pursue. Henry S. Moser, counsel for Allstate, has been named chairman of the company committee. The agents' committee, of which Eugene F. Engelhard, Chicago, is chairman, has been augmented by W. P. Brown, Peoria, and Robert Ayres, DuPage county.



## Smaller Brokers Against New Comp. Plan in New York

### Are Said to Dislike Giving Department Sway Over Commissions

NEW YORK—Though the Insurance Brokers Association, which includes the larger brokerage offices, is on record as favoring the four-option workmen's compensation rating plan which has been approved in more than half of the states, the smaller brokers have let it be known that they intend to oppose its adoption in New York at a hearing which the New York department will soon announce.

Opposition is not directed against the plan itself so much as against the procedure of asking the department to examine into and decide on the merits of the plan rather than having it submitted by the New York Compensation Insurance Rating Board, which is the normal process. The smaller brokers are said to dislike the principle of having the insurance superintendent decide on commissions. The department ordinarily gives tacit approval to plans filed by the Compensation Rating Board but the brokers feel that there is a difference between this procedure and having the superintendent make the actual decision as to commissions and other factors.

### Appealed from Board's Stand

Following the rating board's disapproval of the stock companies four-option plan and the mutuals' suggested modification of it the stock companies through the Association of Casualty & Surety Executives appealed to Superintendent Dineen. However, at the hearing which he called he expressed doubt that since the stock companies had delegated their filing authority to the rating board they could make a separate filing. The hearing which is scheduled to be called soon is due to explore all angles of compensation rate-making, including the present system.

As far as the smaller brokers are concerned, few of them have risks that are large enough to warrant using any of the three retrospective plans. It seems likely that in addition to opposing the four-way rating plan because adoption in the manner suggested would place control of commissions in the superintendent's hands there may also be some feeling that the plans, particularly the three retrospective plans would prove unduly complicated. However, it may be that when it is more widely understood how large a percentage of risks will use the guaranteed cost plan opposition on the ground of complexity will largely disappear.

### O'Connor Talks to Hardware Men

Speaking before the Wisconsin Retail Hardware Association in Milwaukee, E. H. O'Connor, executive director of the Insurance Economics Society, discussed costs and consequences of proposals to expand the present system of social security.

He said it has been estimated that the administration of the Wagner bill would require more than 100,000 federal employees. The significance of this small army of government workers does not lie in the number but in the character of its activity and must be considered in the light of the disproportionate power which they would hold within the scope of individual life and effort.

## Dorsett Makes "Comp" Suggestions at N. Y. Hearing

A number of recommendations for improvement of the administration of the compensation law in New York were made by J. Dewey Dorsett, assistant general manager of the Association of Casualty & Surety Executives in testifying before the Moreland Commission in New York.

He recommended that referees be highly qualified and selected by the industrial commissioner subject to approval of the industrial board. They should not be subject to civil service requirements.

The personnel of the medical department of the department of labor should be of high caliber and salary should be such as to attract qualified men.

He suggested that employers be permitted to select a panel of physicians from which the employee would have to choose his physician, the employee having the privilege of obtaining treatment from his bona fide family physician if he desires.

Hearings should be held only in contested cases and the practice of holding a hearing where the claimant has already received full compensation and full medical treatment should be eliminated. Uncontested cases should be paid promptly. The full board or at least the majority of the board should review decisions of referees instead of only one member.

He suggested that laymen be permitted to represent claimants under certain circumstances. The law should prohibit gratuities and splitting of fees among physicians, employers, insurers, their employees, injured persons, the administrative body and its employees.

The state fund should have no connection with the authorities administering the law.

The following day Chief Medical Adviser Raphael Lewy of the state labor department complained caustically of his inability to obtain over a period of years adequate medical assistance for the medical bureau. Dr. Lewy said that last year he had only 15 doctors to examine 73,394 claimants. He described conditions at the bureau office in the state office building, New York City, as "bedlam" and severely criticized former Industrial Commissioners Andrews and Miller for making themselves "inaccessible."

To keep specialists from insisting on operations later found to be unnecessary, Dr. Lewy recommended creation of a board of highly qualified doctors to act as consultants to the medical bureau. They would be paid \$20,000 a year. Staff assistants should get up to \$10,000 a year, he said. Dr. Lewy characterized some of the places assigned for examination of claimants as "horrible," mentioning particularly Rochester, Albany and Buffalo.

### R. C. Budlong to St. Louis Editorial Position

Richard C. Budlong, who has been advertising manager Globe Indemnity for the past five years, will become managing editor of the "Local Agent" and "Life Insurance Selling," monthly publications of St. Louis. He will assume full editorial responsibility and will be associated with Harold R. Colbert, editor, who will spend more of his time in editorial field work.

Following his graduation from Grinnell College, Mr. Budlong spent five years as associate editor of THE NATIONAL UNDERWRITER, first in Chicago and later in New York. He was later publicity director of Northwestern National Life.

Mr. Budlong will also be on the editorial board of two affiliated publications, "Mid-Continent Banker," and "Club Management."

## Suburban Casualty Field Changes

Einar Christiansen, who formerly covered Illinois for Suburban Casualty of Wheaton, has been placed in charge of Cook, DuPage, Lake, Kane and Will counties, with general supervision of all territories as agency director of the company.

Arthur Frenz, formerly with Commonwealth Casualty and the O'Brien agency, will take over all of Illinois except the northern five counties.

Jack Ard, with headquarters at Indianapolis, will cover Ohio and Indiana, while E. J. Christmas, with headquarters at Adrian, will cover Michigan.

Frank Long, veteran state agent of the company, will continue to represent it in Iowa.

The company recently changed its name from Suburban Auto to Suburban Casualty. Its financial statement in 1943 shows splendid gains in both assets and surplus.

### D. N. Vann Assistant Claim Head for Employers' Group

The Employers' group has promoted Dan N. Vann to assistant superintendent of the U. S. claim department.

After serving in World War I as ensign in the United States navy, Mr. Vann was attached to the U. S. Diplomatic Service in Belgrade, Yugoslavia. He returned to complete his college course at Georgetown University and graduated from its law school in 1922. He was admitted to the Washington, D. C., and Maryland bars in the same year.

Mr. Vann joined the Baltimore claim department of Employers in 1923 where he served as assistant superintendent. He was transferred to the U. S. claim department in 1938 where his duties have been in connection with personnel and since April, 1941, as examiner-in-chief.

### Another St. Louis Bus Crash

ST. LOUIS—Eight persons were killed and 40 injured, when a Wabash train inbound from Detroit, crashed into a loaded St. Louis Public Service Co. bus. Ten persons were killed and 21 injured Dec. 25, 1942, when another public service company bus got out of control after a collision with an automobile and ran into a fuel oil tank.

The public service company carries liability coverage in Continental Casualty. Until a few months ago the insurance was in Hartford Accident, but that company dropped the line because of unfavorable experience.

### Broadcast Series Scheduled

The Association of Casualty & Surety Executives will participate in a broadcast series sponsored by the U. S. Chamber of Commerce featuring "war of enterprise." It will be a recorded program broadcast over 150 stations and through dramatization will tell the story of the insurance industry's participation in the war effort. It will start during the first week in March and will appear the first week of each month for three successive months.

### N. Y. Mutual Group Reelects

The Association of New York State Mutual Casualty Companies at its annual meeting in New York City re-elected Thomas H. Silver, president; George Kramer, vice-president; and Miss Emma C. Maycrink, secretary-treasurer.

Consolidated Taxpayers Mutual and Merchants Mutual Casualty were elected members of the governing committee.

Leaders in the field rely on the Accident & Health Policy Analysis Service. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## Texas Agents in Annual Casualty and Surety Parley

### Hear Top Flight Speakers in Sessions at Dallas and San Antonio

The annual one-day casualty and surety meeting of the Texas Association of Insurance Agents was held in Dallas Tuesday and repeated Wednesday in San Antonio. There was a big crowd at both sessions. The program featured outstanding speakers who gave a number of practical selling and underwriting ideas.

Joe P. Gibbs, Texas casualty insurance commissioner, was unable to attend the Dallas meeting.

Nearly 200 were present at Dallas. Melvin Miller, chairman of the casualty committee, presided. President Alden A. Evans of Fort Worth and Sam H. Riley, Dallas branch manager Massachusetts Bonding, extended greetings. Vestal Lemmon, director and actuary casualty insurance department, spoke in place of Commissioner Gibbs on the many changes in the casualty and surety field the past two years. T. Y. Beams, New York, vice-president Royal Indemnity and Eagle Indemnity, spoke on "Compensation Insurance"; T. M. Delaney, Dallas, assistant manager National Surety, on "Surety Bonds"; and John H. Egloff, supervisor agency field service, Travelers, concluded the session with a general review of the addresses that preceded him.

### Discusses Surety Future

F. M. Coleman, chairman of the fidelity and surety committee of the association, presided at the San Antonio meeting; R. A. Hubbard, Dallas, branch manager American Surety, spoke in place of Mr. Egloff there.

Mr. Hubbard, in discussing surety bonds, predicted that by the time the war ends construction work will rapidly get under way. He said the Texas highway department has ready for action a gigantic program, that municipal sewage systems, waterlines, airports, schools, streets construction and reconstruction and many other projects will be awarded. There will be a great market for contract bonds but, he said, the situation will differ from that existing in the "golden age" of the past 2½ years.

During the peak of war contracting there has been more work than contractors to do it, and keen competition has been lacking. Contractors have been able to allow generous margins for profits and contingencies. The type of construction has been simple, he said. Engineers have been more interested getting the job done than in insisting on literal compliance with technical specifications. Payments semi-monthly with waiver or retainage after 50% completion made it possible for the contractor to finance large contracts with comparatively small capital. Bank credit has been liberal and time for completion has been short. Underwriting has been liberal. The agent has had a big job to do but he has had little worry about getting the bond written and even less about suffering a loss after it was written, he said.

### Changed Conditions

Now, however, much of the large profits of contractors has been paid back in income taxes and through renegotiation. Most contractors are in excellent

(CONTINUED ON PAGE 24)

## ACCIDENT AND HEALTH

### Amalgamated L. & H. Starts to Operate in 17 States

NEW YORK—Amalgamated Life & Health, which has been set up by Amalgamated Clothing Workers Union and the Clothing Manufacturers Association to provide group life and accident and health insurance for the members of the union, has begun operations and plans to operate in 17 states. It is issuing a \$500 group life policy and an accident and health policy providing \$12 weekly benefits to male risks and \$8 weekly benefits to female risks.

The accident and health policy pays for 13 weeks sickness benefits and 13 weeks accident benefits occurring over a period not to exceed 12 consecutive months.

Applications go to Amalgamated Insurance Fund, trustee, which turns it over to the insurance company. A master policy is then issued, with individual certificates for each assured.

The states in which the company

plans to operate are New York, New Jersey, Pennsylvania, Maryland, Massachusetts, Ohio, Indiana, Iowa, Illinois, Kentucky, Missouri, Colorado, California, Wisconsin, North Carolina, Virginia, and Oregon. It is stated that 96% of the union members are located in the first six states mentioned. The new company will not operate in Chicago, where Amalgamated Life & Health of Chicago continues to function on a contributory plan. The New York company is financed through a 2% contribution of weekly payroll by employers, which is estimated will eventually reach \$250,000 monthly.

J. J. Shoaff, manager and assistant secretary Amalgamated Life & Health of Chicago, is acting manager of the New York company. Prior to his association with Amalgamated, he was examiner for the Illinois department eight years.

The Chicago company is now working on plans to provide group hospitalization. Details should be completed in a month or two.

#### Hear Medical Secretary

The Wichita Association of Accident & Health Underwriters heard a report

on the winter meeting of the National association in Des Moines by Bert A. Hedges, Business Men's Assurance, former president.

Oliver Abel, executive secretary of the Sedgwick County Medical Association, reviewed its opposition to the Wagner-Dingell bill.

### Notable Increases in R. R. Accidents

Insurance men selling accident policies find the present railroad accident situation a telling argument. Railroad accident tickets are sold in much larger amounts than they have been for years. For the first six months of last year railroad accidents had increased 32% over the same period in 1942, reaching 8,200. It was found that 39% were caused by breakdown of equipment. Those caused by improper maintenance figured at 47%. The total for all classes of accidents was 28,857 people injured, there being 2,429 passengers on trains, 21,835 employees on duty, the rest being trespassers, etc. There were 2,349 killed of which 41 were passengers on trains. The equipment situation has become quite acute. The railroads are doing as fine a job as they can. In spite of this, their equipment is fast deteriorating.

### Take Steps to Revive A. & H. Week Observance

The Accident & Health Insurance Week committee is being polled by Harold R. Gordon, general chairman, on the advisability of resuming the observance in 1944. If committee members are in favor of such a move it is suggested that the week be held in May or that the whole month of May be devoted to the observance. Mr. Gordon states he cannot

continue as general chairman and he suggests that the new chairman be selected from the following group named by the National Association of Accident & Health Underwriters to contact the general committee on reviving the week: Fred M. Walters, General Accident; J. H. Garneau, Hartford Accident, and W. B. Cornett, Loyal Protective Life. Mr. Gordon feels that the National association should eventually take over the observance as part of its expansion program.

It has been suggested that May be devoted to an effort to secure a million new accident policyholders as a demonstration that individual enterprise can and should provide disability insurance protection, giving individuals the freedom of opportunity to select policies best fitted to their needs and to benefit from the service of competent agents.

### Mutual Benefit H. & A. Premiums Up \$6 Million

The premium income of Mutual Benefit Health & Accident climbed to \$33,385,376 in 1943. This was an increase of well over \$6 million from the 1942 figure.

### May Study R. I. Law Extension

PROVIDENCE, R. I.—In answer to Governor McGrath's suggestions in regard to providing hospitalization insurance under cash sickness benefit law in Rhode Island, the only state now having social insurance, a resolution has been introduced into the assembly creating a committee to study the situation and report by April 1.

### Warning on Mail Thieves

At the January meeting of the Boston Accident & Health Association Patrick H. Smith, veteran secret service man,

### Rendering a CLAIM SERVICE that reflects credit upon its Agents



FULL COVERAGE AUTOMOBILE

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told of the work of his organization. He pointed out that insurance companies are quite likely to be victims of criminals who make a practice of robbing mail boxes. The mail stolen may include a premium notice. This is taken to the company's office and the premium is offered in the form of a check that has been stolen, either from the same box or another one. The check always is larger than the premium, making it necessary for the company cashier to give the thief the difference in cash, sometime a substantial amount. He said it is very unwise to accept such a check in payment of a premium without proper identification.

#### Fort Wayne Manager Resigns

Jesse J. Meyer has resigned as manager of Empire Life & Accident in Fort Wayne, Ind. He has been with the company more than 25 years, going to Fort Wayne six years ago from the Hammond-Gary district.

#### Enters Intermediate Field

Lumbermen's Mutual Casualty of Chicago has established a department

for writing intermediate A. & H. business.

Kentucky Central Life & Accident has voted a dividend of \$3 a share in line with a steadily improving record since 1939.

L. N. Swift, for many years one of Columbian National's leading general agents and now a producer in Brockton, Mass., is observing his 30th service anniversary. Mr. Swift was a pioneer in the accident and health field. Several years ago he asked to be relieved of management duties because of ill health.

M. H. Fisher, formerly with Northern Mutual Casualty, has joined Guarantee Trust Life as a special sales representative.

H. Frasier, general sales manager Guarantee Trust Life, has returned from a survey of Illinois and predicts a good year for hospitalization and health and accident.

Howard Marshall has taken over the agency in Whitewater, Wis., formerly operated by Norbert Loeper, representing Time and Bankers Life.

Ogden Davidson, U. S. manager of Accident & Casualty, is visiting the Chicago office this week.

## WORKMEN'S COMPENSATION

### New Texas "Comp" Plan Opens Wider Market: Eglof

The new Texas compensation rating plan opens a wider market by reducing the spread in cost, J. H. Eglof, Travelers home office agency supervisor, pointed out in talks before the Houston and San Antonio exchanges. He feels that the new plan has a strong sales appeal as it provides a basic rate to measure the hazard which calls for co-operation of management in reducing hazards. Business reacts favorably to freedom of choice of plans but it is up to the agent to help the assured select the best plan to fit the risk. Mr. Eglof is confident that the new program will reduce accidents by encouraging safety measures.

#### Agent Stresses Service

In presenting the new program the agent stresses service, aiding the insured to solve manpower problems through suggestions for the reduction of accidents. Under the new plan stock

agents need no longer fear competition, Mr. Eglof declared.

### Pension Increase Not Retroactive

SEATTLE—The Washington state supreme court has upheld a King county superior court decision that the amendment increasing pension benefits under the state compensation fund are not to be applied retroactively. The state's attorneys argued that if the benefits were applied retroactively it would "cause immediate insolvency and bankruptcy of the accident fund." Nearly 3,000 pension cases were involved.

### Wis. Accident Rate Decreasing

MILWAUKEE — Workmen's compensation rates in Wisconsin are the lowest in the United States, benefits paid injured workers are the largest and the waiting period before payments is the shortest, the Wisconsin Safety Council midwinter conference was told by Voyta Wrabetz, chairman Wisconsin industrial commission, and other speakers. As a result of a concerted safety drive in industrial plants, accidents are decreasing rapidly and are headed back to prewar levels after hitting an all time high in July, 1943.

### Lull in Coast Hearings

LOS ANGELES—Deputy Commissioner Fullenwider, who has been in Los Angeles for the past 10 days conducting the conferences and hearings in the workmen's compensation investigation, recessed the hearings, to be resumed in San Francisco, later. The recess came after the entire day was spent on a risk of Pacific Employers, in which most of the facts read into the record were by stipulation, with but one or two witnesses being heard. Clarification of many of the points brought up was made by officials for the assured. Practically all the points related to classification of payroll, although the matter of "package selling" came into the picture.

Mr. Fullenwider repeated the statement he had made previously that the purpose of the hearing was investigation and regulation, and not disciplinary.

## ASSOCIATIONS

### Pittellkow Milwaukee President

MILWAUKEE — The Milwaukee County Board of Casualty & Surety Underwriters held its annual meeting Wednesday. R. C. Pittellkow, R. J. Pittellkow & Son, was elected president. The secretary is appointed.

### Review Iowa Educational Work

DES MOINES—Wesley Barnes, Des Moines manager of U. S. F. & G., reported to the Des Moines Casualty & Surety Club on the casualty educational program in Iowa. He outlined the new method of selecting discussion leaders.

### MANAGERIAL OPPORTUNITY

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4	62 77	fronts
4	44 77	returns
2	22 58	doors
1	124 77	front on Orangelawn
1	42 77	return
1	22 58	door
1	43 77	return
1	87 77	front
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2	72 77	returns
2	44 77	door
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for the work. Now the assignments are turned over to the companies, which select the leaders.

He reported that three associations in the state now are conducting educational courses, Council Bluffs, Sioux City and Fort Dodge.

#### Farewell to H. J. Wilson

The Indiana Casualty & Surety Managers Association gave a farewell dinner to H. J. Wilson, Indiana manager of the Massachusetts Bonding, who has been inducted into the army. He has been secretary-treasurer of the organization for some years. He was presented a traveling bag by John E. Messick of Foster & Messick, managers of U.S.F. & G. The members assured Mr. Wilson that, because of their high regard for him, they would be glad to help his office with underwriting problems and assured him that they would not knowingly take any of his business nor agents. Spencer Welton, vice-president of the Massachusetts Bonding, was present.

#### Atlanta Association Elects

New officers of the Atlanta Casualty & Surety Association are: President, W. W. Perrin; vice-presidents, J. M. Robbins and H. L. Young; secretary, J. L. Copelan.

The Chicago Association of Casualty & Surety Managers will hold its regular monthly meeting Jan. 28 at the Union League Club.

## CHANGES

### F. & C. Officials Are Advanced

Frank E. O'Brien and William L. Bates, formerly secretaries of Fidelity & Casualty, have been elected vice-presidents. Harold S. Robinson, formerly assistant secretary, becomes secretary and John R. Irving was advanced to assistant secretary.

#### Careers of Two Men Promoted

Mr. O'Brien was born in Philadelphia. Prior to entering the insurance business he was with Bethlehem Steel and Dupont corporations from where he went to Travelers at Philadelphia on the agency development staff. He went with Fidelity & Casualty in 1930 as assistant superintendent of agencies and in 1934 was elected secretary. His brother, Martin J. O'Brien, is also vice-president of F. & C.

Mr. Bates was born in Bennington, Vt., and graduated from Yale in 1913. He has been with F. & C. more than 30 years and for much of that time was closely identified with the bonding department. He was appointed office manager of the fidelity division in 1923, assistant superintendent in 1925, superintendent in 1932 and was elected a secretary in 1934. In 1939 he was appointed assistant to Vice-president Hale Anderson, chief underwriting officer.

#### Mr. Robinson and Mr. Irving

Mr. Robinson is a native of Baltimore. He attended Johns Hopkins and the University of Pittsburgh. He started with Fidelity & Deposit in 1916 rising to assistant superintendent of the compensation and liability department. He then served with New Amsterdam Casualty, Pennsylvania Surety and Public of Newark. He joined Fidelity & Casualty in 1932 as superintendent of the compensation and liability department. He was promoted to assistant secretary in 1941.

Mr. Irving was born in New York. He entered insurance in 1921 as bookkeeper for Royal Indemnity and also served in various departments outside of accounting, including field experience as office manager for a large general agency. Mr.

Irving went to F. & C. in 1931 and was assigned to the statistical department. After the death of L. A. Nicholas he was placed in charge.

### D'Arcy Audit Supervisor of American Auto in Chicago

Philip P. D'Arcy, who has been payroll auditor for London Guarantee in Chicago for seven years, and who has been in the business since 1925, is going with American Automobile as supervisor of the payroll auditing department at Chicago. Mr. D'Arcy started with

Moore, Case, Lyman & Hubbard, and subsequently was with Metropolitan Casualty and General Accident in Chicago as payroll auditor.

### MacKay on Leave; McKown St. Paul-Mercury Manager

J. R. MacKay, manager of the Pacific department of St. Paul-Mercury Indemnity, has been granted a leave of absence to expedite recovery from an illness with which he has been afflicted since 1942. During his absence Paul F. McKown, who is manager of the fire

department, will take over the management of St. Paul-Mercury.

Assistant Manager Frank J. Chamberlin of St. Paul-Mercury recently suffered a severe heart attack and may be indefinitely incapacitated. Harold C. Dittman is taking over the duties of assistant manager. He has been superintendent of claims and prior to that was connected with the company in various capacities in Milwaukee and the home office for 18 years.

### Wadsworth with Loyalty Group

F. W. Wadsworth, assistant manager of the bond department of Foster & Messick,

**Straight**

**SHOOTING!**

**FD**

**FIDELITY AND SURETY BONDS, BURGLARY, ROBBERY, FORGERY AND GLASS INSURANCE**

*Back the Attack—with War Bonds*

OFFICIAL U. S. MARINE CORPS PHOTOGRAPH

# FIDELITY AND DEPOSIT COMPANY

*of Maryland... Baltimore, Md.*

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

general agents for U.S.F.&G. in Indianapolis 3½ years, has gone with the Loyalty group at its Indianapolis office under Ross A. Moore to do underwriting and field work. Mr. Wadsworth before going with Foster & Messick was with "Rough Notes." He is admitted to the Indiana bar.

#### Hastings' Field Changed

James N. Hastings has been appointed by Glens Falls Indemnity as special agent in charge of Vermont and northeastern New York with headquarters at the home office. He has been

with the company since 1930, first as clerk and underwriter at the home office and for eight years in Newark and Pittsburgh.

#### Barr Now Independent Adjuster

Elmer L. Barr, for 12 years up to 1943, manager of Mercer Casualty in Los Angeles, will open independent adjusting offices in San Bernardino, Cal., with a service office in Las Vegas, Nev. He will handle casualty, marine, aviation, compensation and automobile lines.

He was with the Royal in San Francisco, then special agent and adjuster of

Pacific States Fire at Portland, chief adjuster of Eureka Casualty in Los Angeles and with American Automobile before joining the Mercer Casualty.

#### Wieber with American Auto

Fred E. Wieber, who has been a special agent of Maryland Casualty in Chicago the past two years and previously was 2½ years with the Illinois Bonding & Insurance Agency, has been appointed Cook county special agent by American Automobile.

#### Pease Mutual Boiler Secretary

Edwin B. Pease, formerly assistant secretary, has been elected secretary of Mutual Boiler of Boston, succeeding John A. Collins who has been vice-president and secretary. He retains the title of vice-president.

#### Travelers Transfers Two Men

Travelers has transferred J. V. Addy, assistant casualty manager at Albany, N. Y., to Dallas in the same capacity. G. H. Stone, assistant casualty manager at Bridgeport, Conn., has been sent to Detroit in the same capacity.

#### Marquardt with Kemper

C. Marquardt, who has been special agent with the Chris Schroeder & Son general agency at Milwaukee, has gone with James S. Kemper & Co. in the sales division.

the cash was accessible to several employees, the head teller would visit other tellers' cages at various times, bookkeepers also visited the tellers' cages.

It is recommended that each employee's cash be isolated to eliminate the possibility of shortages arising due to acts or errors of other employees. That gives each employee protection and also provides a sense of responsibility that each employee should have for his cash. When a teller is not in his cage it should be closed, locked and no business transacted. Locks should be provided for each teller's cash drawer and the teller should be given the key. One teller should not enter another's cage. Each teller should hand the bookkeeper his list of checks rather than have the bookkeeper enter the cage to pick up the list and the checks cashed.

#### Lawyers, Judge Recommend Use of Corporate Surety. Suggest Precautions

Too many sureties appear to dismiss from their thoughts any concern over a bond after it is written, Robert L. Webb, Topeka attorney, said in his talk at a meeting there on judicial bonds sponsored by the Topeka Insurers and the Surety Managers Association of Kansas City. This, he said, is particularly true in case of personal surety, and no one knows what has taken place until the time comes for settlement. Many corporate sureties give small concern to an outstanding bond so long as the annual premium is paid, and a larger group permits too much delay in the accounting and reporting by the fiduciary. The wise surety should advise himself periodically of the operation and status of the trust. To that extent, he advised, a surety bond should be policed and for the good of the fiduciary as well as for its own the surety should insist upon regular accounting and reporting.

Mr. Webb strongly recommended corporate surety as against personal surety. While a bond will not create honesty, men do not go wrong intentionally, he said. Too many times liability occurring under a bond results from carelessness and neglect. Too many things happen to a personal surety or to his estate, he said. A corporate bond furnishes the best basis for a sound and satisfactory administration.

He pointed out that the business of using a hired surety is reasonably new and most people are not familiar with it. A continuing public relations program on the purposes and functions of suretyship, the methods of procedure and operation, and the cost and service rendered would be very helpful, he said. Selling suretyship can be made comparatively easy if the prospective buyer understands the commodity, he stated.

Probate Judge McCue said the Veterans Administration will not approve a personal surety without a financial statement, and as a result practically all cases involving veterans are protected by corporate surety bonds, he pointed out. However, he said, an attorney of the Veterans Administration recently argued in a case in his court involving a veteran of the present war, that it is not necessary for a guardian to obtain an order from the court for expenditures for care, maintenance, etc., of the ward; that the guardian may make any expenditures during the course of the year which he deems reasonable and that the matter be submitted to the court only at the date set for the hearing of the annual account. Judge McCue said the inauguration of such a practice on a wide scale would create considerable trouble and possible loss to fiduciaries and their sureties.

John E. Kirk, vice-president and trust officer of the National Bank of Topeka said that he sought to convince prospective testators they should appoint a corporate fiduciary as executor or trustee of their wills so that in addition to the capital, surplus and undivided profits of the bank there is a corporate surety



## "WHAT A MISTAKE I MADE!"

### BIG DAMAGE SUIT PENDING—NO DRAM SHOP LIABILITY INSURANCE POLICY

The building may be sold by court order to satisfy a judgment.

Yes—it is a big mistake for the owner of a building in which there is a tavern, restaurant or club serving intoxicating beverages, to be without Dram Shop Liability Insurance.

**Courts and juries seem to favor the "have nots." The "have" must pay.**

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back of the administration of an estate as an added protection to the beneficiary. F. G. Packwood, Massachusetts Bonding, Kansas City, opened the meeting, which was attended by 55 agents, judges and attorneys.

Chester Miles, state agent of Standard Accident, Kansas City, will be guest speaker at the Feb. 2 meeting of the Newton Board on corporate surety. Attorneys, probate judge and district judge will be guests.

#### N. J. Surety Men to Hear Walton

NEWARK—The Surety Underwriters Association of New Jersey will hold a luncheon meeting here Feb. 3 when Edward F. Walton, president New Jersey Association of Insurance Agents, will speak.

#### Question of Restitution

WASHINGTON—That Albert M. Steinberg, bookkeeper for Forman, Inc., wholesale liquor dealer here admitted embezzlement and paid \$10,000 out of a stocking to a bonding agent, was testified to here by William E. Cumberland, attorney for the Young & Simon agency, in the trial of Steinberg on the charge of embezzling \$93,000.

Mr. Cumberland said that one day last year Steinberg came into his office and took out of his stocking nine \$1,000 bills and 10 \$100 bills, and turned them over to him. The lawyer said he put them in a safe deposit box, and is holding them "for whomever they belonged to, Forman, or maybe Steinberg."

Mr. Cumberland emphasized that his contact with Steinberg was to adjust a civil liability; that Steinberg's guilt or innocence was not discussed; that Steinberg had given him the money so that the bonding company would not suffer loss; that the bonding company has paid in full the Forman claims of shortages.

New Amsterdam Casualty paid \$2,790 of loss and Yorkshire Indemnity paid \$10,000. That was all the insurance.

#### Effect of Green Help

A number of dishonesty losses that have been caused by older employees lately are attributable to the fact that, being surrounded with newer and inexperienced employees, the older person has been able to engage in practices that would arouse the suspicions of experienced people. Perhaps such embezzlers were tempted to pursue a dishonest course because they felt certain that the greener associates would not be suspicious of them when they engaged in irregular practices.

#### Seek Aircraft Supervision in Va.

RICHMOND—A senate bill places aircraft transporting either persons or property under supervision of the Virginia corporation commission and requires an adequate bond or insurance to cover personal liability and property damage. Authority would be similar to that over public motor carriers.

## COMPANIES

### F. & C. Makes Strong Showing for 1943

Fidelity & Casualty in its new statement reports assets of \$68,412,594, an increase of \$8,988,808 for the year. Capital is \$2,250,000 and net surplus \$19,734,916, an increase of \$3,657,921. Premium reserve was greater by \$858,655 and stood at \$14,240,988.

### Western Surety Directors Advance Several Men

Dan Kirby, president, and most of the other officers of Western Surety

were reelected at the annual meeting. M. H. Trepkow, vice-president in charge of the Chicago office, was elected first vice-president and a director, and A. W. Buchele, vice-president, was elected treasurer and a director. Milton Jacobs was elected assistant treasurer.

Directors declared a dividend of 7% as compared with the regular dividend of 5% and also declared a bonus to employees of 5% for service under three years and 10% for over three years. Officers reported that 1943 was the biggest year in the company's history with a substantial increase in premiums.

Mr. Trepkow has been connected with the company for 18 years and in charge of the Chicago office, which he opened, for three years.



M. H. Trepkow

### Stewart Chairman, Seeley President of Economy Auto

At the annual meeting of Economy Auto of Freeport, Ill., Tuesday R. J. Stewart was elected chairman, R. M. Seeley, president, H. H. Deery, vice-president, Troy Thompson, treasurer, and C. H. Neyhart, secretary. These changes follow the recent retirement of L. F. Jungkunz as president and treasurer.

Mr. Stewart and Mr. Deery founded the business in 1915 and have been actively identified with it since. Mr. Seeley joined the company in 1922 in the agency department. In recent years he has been in charge of claims.

Mr. Neyhart has been in charge of the company's underwriting department for 17 years and will continue in that capacity in addition to assuming the duties of secretary. Mr. Thompson has been with the company five years, the last two as

## BONDED SIGNATURE CARDS

This is one of the many advantages the Western Surety Company offers an agent. It's a copy-right feature originated by the Western Surety as a pocket guard against embarrassment.

- It is intended for the personal use of active people who travel considerably.
- This card is available only through Western Surety Company agents at a nominal premium.
- The Bonded Signature Card is not freely available, but there are many people in every town who warrant this coverage.

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Licensed in

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Minnesota • Missouri • Montana • Nebraska • Ohio  
Oklahoma • North Dakota • South Dakota • Wisconsin

ONE OF AMERICA'S OLDEST BONDING COMPANIES  
NOW IN ITS 43rd YEAR

## Weekly News Letter on CASUALTY INSURANCE

The "Taylor Casualty Insurance Digest," mailed in weekly, type-written-style, is divided into the following major subdivisions: Automobile, Compensation, Fidelity & Surety, Accident & Health, and Liability-Burglary-Glass-etc.

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chief accountant, in which capacity he assisted the treasurer.

## Strong Report by Maryland Casualty

Maryland Casualty in 1943 had net premiums of \$31,320,813, a decrease of 2½% from the previous year; net underwriting profit of \$3,169,178, and an addition to surplus of \$387,973, bringing surplus to policyholders to \$21,582,623.

President Stewart McDonald said that a decrease in special wartime activities and increasing loss ratios in some lines in the period of transition from war to peace, whenever that may come, are to be anticipated but that the company is in a financial position to face the transition period with confidence.

Maryland Casualty reduced from \$5,953,220 to \$3,630,200 the mortgage debentures on which the company still remained liable for interest, but not for principal, to 1953, and set up reserves out of 1943 earnings for the company's interest liability to maturity on the remaining debentures outstanding.

## Fidelity Mutual of Indiana Converted to Casualty Basis

Fidelity Mutual Fire of Indianapolis has been converted from a fire to a casualty company and the title has been changed to Fidelity Mutual. It is a running mate of Indiana Lumbermen's Mutual. When the Indiana law was changed a few years ago to permit fire companies to write full cover automobile, Fidelity Mutual took advantage of that opportunity and has been writing third party coverages. Due to the fact that in most other states fire companies are not privileged to write the full cover automobile lines it has run into some complications. The fire business of Fidelity Mutual has been reinsured by In-

diana Lumbermen's Mutual and Fidelity Mutual has reinsured the automobile business in Indiana of Indiana Lumbermen's.

**Amalgamated Life & Health—Assets,** \$601,380; inc., \$58,468; loss res., \$17,349; capital, \$200,000; surplus, \$380,034; inc., \$57,419. Experience:

Net Prems. Losses Pd.  
Group A. & H. .... \$ 124,925 \$ 98,967

**Mutual Commerce Cas., Mo.—Assets,** \$56,335; inc., \$612; unearned prem., \$25,705; loss res., \$9,097; liab. res., \$5,125; surplus, \$11,110; inc., \$612. Experience:

Accident & health..	1,184	\$ 433
Auto liability .....	19,999	10,269
Other liability .....	1,963	.....
Tornado .....	159	28
Liquor bonds .....	12,143	.....
Other bonds .....	439	.....
Plate glass .....	188	39
Burglary and theft.	9,626	3,751
Auto theft .....	2,740	280
Auto fire .....	5,003	843
Auto prop. damage..	5,924	4,484
Auto collision.....	9,617	6,675
Other auto .....	1,651	226

Total ..... \$ 70,643 \$ 27,033

**National Accident & Health — Assets,** \$1,124,227; inc., \$152,726; unearned prem., \$66,910; loss res., \$149,088; capital, \$300,000; surplus, \$382,540; dec., \$49,383. Experience:

Accident & health.. \$1,538,391 \$ 476,053

## PERSONALS

The Chicago office of Joyce & Co. has a unique experience. On Jan. 1, 10 officers and employees completed combined service of 253 years as follows: C. H. Burras 32, Alice M. Fay 32, Robt. E. Stitt 28, Anton A. Black 28, Ray Dammann 25, A. L. Starrs 25, H. Edward Reeves 24, Lucy Stevens 24, L. A. Barr 20, Harry T. Huff 15.

C. W. Hobbs, special representative of the National Association of Insurance Commissioners on the National Council on Compensation Insurance, who underwent an operation early in the month at the Massachusetts Memorial Hospital at Boston, is recuperating satisfactorily. It will probably be March 1 before he will be able to return to his office but he will be glad to hear from his friends while at the hospital.

President J. Arthur Nelson of the New Amsterdam Casualty and Mrs. Nelson are spending several weeks in Miami.

Vice-president Benjamin Rush, Jr., of Indemnity of North America, who underwent a major operation two months ago, is convalescing and is allowed to go to his office for a short time two days a week. He has been very active in Red Cross work in Philadelphia and has given unsparingly of his time and effort.

Vice-president John P. McCormick of Globe Indemnity, who is in charge of claims and engineering, visited the Chicago office this week en route to Milwaukee, Minneapolis, Omaha and Lincoln.

## DEATHS

Alex E. Johnson, Sr., Kentucky state agent of the accident department of Continental Casualty, was informed by the War Department that his son, Lieut. Alex E. Johnson, Jr., had been killed in action in North Africa. Some months ago news arrived that Lieut. Johnson was missing. He was an agent of Union Central Life.

James Van Buren, 80, resident vice-president in Kansas City for Fidelity & Deposit from 1915 to 1930, died there. He had served in an advisory capacity until his retirement in 1935.

Prior to joining F. & D., he was Kansas City representative of National Surety and U. S. F. & G. He was manager of the bonding department of the

Commerce Trust Co. 1906 to 1910 and later Kansas City manager of Globe Surety and then represented Equitable Surety of St. Louis.

A. V. Rieke, 78, counsel for Minnesota Commercial Men's Association, died. He was a resident of Hopkins, Minn.

Lt. (j.g.) Leonard W. Scheel of Milwaukee, who was with Hardware Mutual Casualty before he entered the navy, died from injuries suffered when he fell from a ladder on a ship.

## Annual Casualty and Surety Parley

(CONTINUED FROM PAGE 17)

conditions to undertake future work, but the cushion of large profits from previous work has been trimmed, and the profit which may be included in bids has been cut back to normal.

Today there are more capable contractors than there is work for them to do and bidding is again strongly competitive, Mr. Hubbard said. New construction will require real engineering and construction training. Mr. Hubbard said he was not pessimistic but suggested that now is the time to prepare to write the bonds on work that will come in the future, and review and revise ideas of the amounts of suretyship for which the contractors can qualify. It is also a time to solicit contract bonds systematically and vigorously, he said.

### Potter Plugs Burglary Lines

The burglary coverages probably offer agents their best opportunity of increasing commissions, F. W. Potter, field supervisor of Aetna Casualty, stated. Prospects are everywhere because there is some form of burglary coverage available for every individual and about 40 forms for the commercial risk, whatever size or kind. Probably less than 10% of the prospects have ever been sold such coverage, he said. The forms are easy to understand and explain to the prospect, and the coverage renews well year after year.

The new residence and outside theft policy is selling in volume over the country, Mr. Potter said. There is little sales resistance. The new broad form money and securities contract is a commercial best seller, he said. It really gives the policyholder a break, he declared, by solving some very trying problems of lack of coverage.

There is still a good market for commercial fidelity bond business, Walter J. Nichols, executive secretary of Standard Accident, stated. Many employers do not carry fidelity protection, and many have coverage which should be modernized. Fidelity is probably the fastest growing line today of a permanent character, he said. More fidelity business has been sold in the last three years to concerns that never carried it than in the previous 15 years, and these

bonds practically all will continue in force. Blanket fidelity premium volume is now approaching the amount of premiums written on bankers blanket bonds. He advised allocation of a definite portion of the agent's time to a program for soliciting fidelity business.

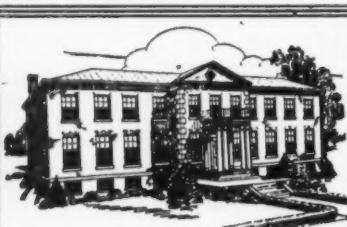
In discussing the comprehensive general liability policy, E. B. Gill, secretary of Glens Falls Indemnity, said that there are only three principal points the agent should be sure his prospect understands, the insuring clause, exclusions, and preparation of the survey. He said that the comprehensive general policy should always be presented including products liability and property damage coverage in order to keep insured thinking along blanket policy lines. If assured feels the premium is too high, one or both of these two coverages can be eliminated. If this is done, a letter should be delivered with the policy calling his attention to the fact that it is at his request the two coverages have been removed from the policy.

The comprehensive personal liability bids fair to replace the residence liability contract to a large degree, Mr. Gill said. He suggested that medical and employers liability be inserted in the policy together rather than separately. The average premium for comprehensive personal, including both of these important coverages, runs about \$17 per year for standard limits. When comparing this coverage with the cost of residence liability alone the agent has a much more attractive proposition to offer the average prospect.

## Encumbrance on Policy Was Issue in a Loss

The South Dakota supreme court affirmed the lower court decision in Hight vs. Maryland. The policyholder sought to recover for loss by fire on a policy covering a frame building which he occupied. The company defended on the ground the policy was void because the subject of insurance was a building on ground not owned by the insured in fee simple. Hight claimed at the time of applying for the insurance the agent notified the company by letter the policyholder had purchased tax sale certificates and was occupying the premises as a tenant with uncompleted negotiations for the purchase, and that he wanted his interests protected. The lower court allowed the plaintiff to recover the full amount of the policy.

On appeal the higher court declared that since the agent knew and reported the facts to the company and since it accepted premiums the company was estopped to deny the validity of the policy because of the failure to have certain stipulations attached to the document. The policyholder's interest, the court said, was greater than a lien by reason of his occupation and negotiations to purchase and they combined to make an insurable interest subject to the provisions of the valued policy law.



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complete personal protection. You can build a good volume with the Federal Life and Casualty's accident—health—life protection for both men and women and juvenile life for children. Territory open in 30 states.

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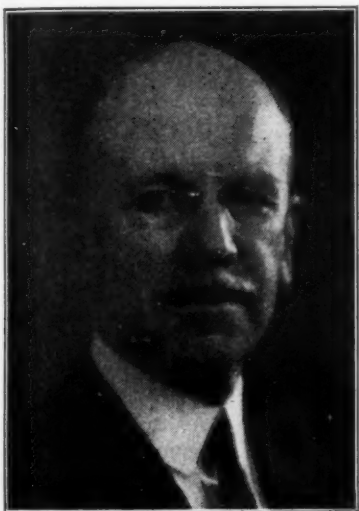
# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Cleveland Board Honors W. J. James

CLEVELAND—At its January meeting the Insurance Board of Cleveland paid special tribute to one of its oldest and best known members, Walter J. James of the James & Manchester Co., for outstanding service to insurance and the public.

Mr. James entered the insurance field in Cleveland in 1897, as a solicitor for Thomas, Neale & Co. The next year he joined the Foote & Maxson agency and in 1899 established his own agency. In 1901 he went into partnership with Albert W. Parsons under the name of James & Parsons. Later they



WALTER J. JAMES

took in Philo S. Ruggles and the name was changed to James-Parsons-Ruggles Company. In 1907 that agency and Runnells & Manchester consolidated and incorporated as the James & Manchester Co., which continues in business today as one of Cleveland's prominent agencies.

C. D. McVay, president of Ohio Farmers, spoke on "State Rights and the Insurance Business. He reviewed the S.E.U.A. case, the status of the Bailey-Van Nuys bill and the Wagner-Murray-Dingell bill.

### Full-Time Secretary for Minn. Association O.K.'d

MINNEAPOLIS—Employment of a full-time secretary by the Minnesota Association of Insurance Agents has been approved by the executive committee, subject to the working out of a financial setup that will permit such a step. This decision was reached after an extensive study of the problem by a special finance committee headed by Arthur Hirman, Rochester, and including George Teeson, Alexandria; Harry Levant, Eveleth; Leroy Engberg, St. Paul, and R. A. Thompson, Minneapolis.

This committee for several months has been gathering data from other state associations and has found that 21 of them now employ full-time secretaries. They are in a position to provide better service for their members, the committee says, and it thinks a similar result will be achieved in Minnesota by a full-time man.

The committee has set up a tentative dues schedule to provide the neces-

sary funds for the work. The entire matter is now being laid before the membership for consideration.

### St. Louis Advisory Council Endorsed; New Board Setup Is Explained

ST. LOUIS—The proposal by the Insurance Board of St. Louis that an advisory council be established to represent all branches of the business in the county except life has been endorsed by Raymond W. Smith, state agent Aetna Fire, as chairman of the St. Louis field men's committee.

The St. Louis board is making a sincere effort to work out a constructive program, Mr. Smith stated. The field men's group, representing the companies, is working in harmony with the new officers of the board to that end.

Mr. Smith took issue with statements that the amendments to the board's constitution and by-laws were intended to strengthen the position of Class 1 members. Officers and executive committee members of the board have also denied the amendments were so intended.

Under the new rules branch offices have been eliminated from membership in the board while Class 2 members are to be agents who shall be engaged in the business of insurance and real estate and licensed as such. Companies are limited to only three class 1 agents and a branch office shall be considered in lieu of a Class 1 agent. If present Class 2 agents become Class 1 members, this temporary increase shall not be construed as a violation of the rule covering the limitation to only three Class 1 agents. Personal producers continue as brokers.

### Illinois Agents Pushing Public Relations Drive

A letter urging concentration on a final drive for 100% contribution to the National Association of Insurance Agents public relations campaign was sent out this week by W. J. Laadt, Chicago, chairman of the public relations committee of the Illinois association.

The Illinois association so far has greatly exceeded its quota in the campaign Region 1, which includes Chicago, has pledged \$18,700 and collected \$8,403 cash. Total pledges in the state are \$25,579 and cash collected \$11,640.

### Minnesota Regional Activities

Armand Harris, president Minnesota Association of Insurance Agents, and Frank S. Preston, executive secretary, will attend the joint meeting of Central Minnesota Agents Regional Association and the St. Cloud local board Feb. 8.

At the January meeting of the Southern Minnesota Agents Regional Association at Owatonna, Howard Williams of Mankato and Lester Bickford, Owatonna, led a round table discussion on office short cuts, sales ideas, unusual coverages, adjustment problems, ways to broaden dwelling coverages.

### Grain Association Adds Inspector

Underwriters Grain Association, Chicago, is augmenting its inspection staff with the appointment of Frank E. Carlson as inspector traveling the midwest from headquarters in Duluth. Mr. Carlson has had 20 years experience as chief millwright for the Occident elevator of the Russell Miller Milling Co., Duluth.

The appointment gives Underwriters Grain Association a staff of three inspectors compared with two previously kept in the field. The addition is due to

greater chances of hazards developing because of manpower and material shortages.

### Form Eldorado Local Board

George F. Bacon has been named temporary chairman of the newly organized Eldorado, Kan., local board. Assisting in the organization were Urban Brown, Emporia, president Kansas Association of Insurance Agents; Frank T. Priest, Wichita, and I. C. Forney, Newton, executive committeemen; and Victor G. Henry, Wichita, state national director.

There was a discussion of the revised Kansas rates and rules led by E. B. Fergus, Wichita branch manager of the Kansas Inspection Bureau.

### Kansas Notables at Winfield

The Winfield (Kan.) Insurance Board held an outstanding meeting attended by Urban Brown, Emporia, president Kansas Association of Insurance Agents; I. C. Forney, Newton, and Frank T. Priest, Wichita, executive committee members; Victor G. Henry, Wichita, Kansas state national director; B. J. Weldon, Wichita, chairman of the educational committee, and M. K. Ramsey, Kansas City, assistant manager of Fidelity & Deposit. Mr. Weldon was in charge of the educational program.

### St. Paul Educational Course

ST. PAUL—The Insurance Exchange of St. Paul is now about two-thirds through the complete 100-hour course by the National Association of Insurance Agents. It has completed the compensation and liability sections, has nearly finished inland marine and will round off with surety and fidelity bonds. M. P. Zendzian, Home Fire & Marine, is conducting the inland marine course. Donald Jenne, Anchor Casualty, will handle the bond course.

### Kennedy with Aero at K. C.

Clyde D. Kennedy, who was with Western Adjustment for 17 years, has gone with Aero Insurance Underwriters at Kansas City as office claims supervisor under Manager Jules Guinotte. The Kansas City office supervises Missouri, Nebraska, Iowa, Kansas, Oklahoma, Texas, Arkansas, North and South Dakota.

Mr. Kennedy served Western Adjustment at Springfield, Mo., Paducah, Ky., Jefferson City, Mo., and Kansas City.

### Sioux City Educational Plans

The Fire & Casualty Underwriters Association of Sioux City, Ia., and the Insurance Women's Association will take up the general liability and workmen's compensation course in the N.A.I.A. educational program Feb. 3. The same discussion leaders handle both classes, one meeting in the afternoon and the other in the evening.

### To Discuss Proposed Legislation

DAYTON, O.—Congressman Harry P. Jeffrey will discuss "Proposed Legislation Which May Affect Insurance, All Lines," at a joint meeting of the Dayton Life Underwriters Association, the Dayton Insurance Agents Association and the Dayton Accident & Health Association.

### Raises Limit on Grade Cattle

Members of the Equity Town Mutual meeting at Forest Junction, Wis., voted to raise the limit of \$100 on grade cattle to \$140.

### New Freeport, Ill., Officers

Henry C. Temple was elected president of the Freeport (Ill.) Association

of Insurance Agents at the annual meeting. Other new officers are: Vice-president, H. W. Hamilton, of Hamilton & Boeke; secretary-treasurer, F. L. Wittenmeyer, of Wittenmeyer & Bangs.

### Holcomb Discusses Aviation Cover

Gilbert D. Holcomb, field representative of Aero Insurance Underwriters, Chicago, discussed aviation coverage at the session on that subject conducted by the Cincinnati Fire Underwriters Association in its National Association educational course.

### Godard Is Akron President

Jewel W. Godard has been elected president of the Summit County (Akron, O.) Insurance Board. Harvey Holloway is vice-president. P. E. Waxler and Paul Maloney were elected trustees.

### D. W. Hopkins Addresses Buyers

David W. Hopkins of the Anderson-Hopkins agency conducted a question and answer period at the luncheon meeting Wednesday of Insured Members Conference of Associated Industries of Missouri for the St. Joseph district.

## NEWS BRIEFS

The Insurance Board of St. Louis will hold a dinner-dance Jan. 27. Fun will be furnished by the "quiz kids" of the insurance business.

T. M. Wyles, Jr., head of the group accident and health department of Standard Accident, is chairman of the fire and casualty insurance group for the Fourth War Loan drive in Detroit.

At a meeting of the Kansas City Association of Insurance Women, F. Glenn Packwood, manager Massachusetts Bonding, spoke on "Making the Presentation" in an accident and health sale.

The Joe C. Graddy agency at Lexington, Mo. has been sold to Louis Boeger and will be known as the Lexington Insurance & Real Estate Agency. Mrs. Florence Graddy, the widow of J. C. Graddy, has been operating the agency a number of years.

Lloyd Mohr, for many years in the banking and finance business, has become a partner and manager of the local agency department of the Main Insurance Agency, Madison, Wis. The Willett E. Main general agency occupies adjoining quarters.

Harry P. Pratt of the Grandy-Pratt Co., past president of the Iowa Association of Agents, has been elected first vice-president of the Sioux City Chamber of Commerce.

At the annual meeting of the Hennepin Safety Council, Thomas G. Linnell, Minneapolis general agent, was reelected president.

A joint dinner meeting of the St. Paul and Minneapolis Insurance Women's Associations will be held Feb. 21 in Minneapolis.

Ralph E. Lightner, president of the Monarch Investment Co. agency, has been elected president of the Wichita Council of Churches.

Charles M. Allen of the Bauerle-Alten Agency is general chairman of the financial division of the 4th War Loan drive in Wichita.

The Waterloo (Ia.) Association of Insurance Agents voted to contribute \$25 to the R. W. Forshay memorial fund. The Des Moines association previously contributed \$50.

O. J. Marsh, independent adjuster at Toledo, has moved his office from the Spitzer building to 954 Nicholas building. Mr. Marsh has been an independent adjuster for the companies for 19

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years. He handles fire and allied lines losses.

W. B. Gasche has been reelected president of Alliance Cooperative of Topeka for his 45th consecutive term. He was one of the organizers of Alliance Cooperative in 1895 and was first elected president in 1900.

Mrs. John W. Dunn is operating the Dunn Insurance Agency, Nickerson, Kan., since her husband has entered the navy.

## SOUTH

### Texas Directors Decide on One-Day Convention

DALLAS—At the semi-annual meeting of directors of the Texas Association of Insurance Agents here, a report on the new fire and windstorm policy was given by R. R. McLarry, chairman of the rates and forms committee, which was followed by a general discussion of the policy and the recently increased windstorm rates.

The board voted to hold a one-day annual convention and authorized president Alden A. Evans and Executive Secretary D. G. Foreman to choose the place and date. Mr. Foreman said membership had increased.

Directors met with officers of local exchanges in executive session and discussed the state anti-trust law and its application to the operations of local exchanges.

### W. H. Voss Heads Greater Little Rock Exchange

LITTLE ROCK—W. H. Voss was installed as president of the Greater Little Rock Insurance Exchange at a meeting Tuesday. Mrs. Lissa Martin was installed as vice-president and Grainger Williams as secretary-treasurer.

On the executive committee are: F. I. Beyer, chairman; E. O. Brack, Tom P. Williams, Leon Flake, J. Roy Donham and Pat Harding.

Roy Paschall, internal revenue collector, explained income tax difficulties.

### Stevens to Visit Dallas

Jay W. Stevens, chief of the bureau of fire prevention of the National Board, is scheduled for a busy week in Dallas, when he returns there Jan. 31 to make final recommendations on changes in the fire fighting and fire prevention departments. He will outline his program at the civic meeting with the Rotary Club Feb. 2, when the city council and others interested in reducing fire losses in Dallas will be guests. Alfonso Johnson, manager of the Dallas Insurance Agents Association and secretary of the Dallas Fire Prevention Council, will be chairman. Mr. Stevens will also talk to the Blue Goose, the Fire Prevention Council and to the six Dallas high schools.

Dallas is facing a possible 5% penalty in its fire insurance rate March 1, as the 1943 loss exceeded \$1,000,000.

### See War Pictures in Richmond

At the January dinner-meeting of the Richmond Insurance Exchange, official war pictures from the Pacific and Europe were shown. R. W. Goode, chairman educational committee, reported plans about completed to get the N.A.I.A. educational course under way in Richmond. T. W. Kelley, chairman of the legislative committee of the state association, outlined its legislative program.

### Va. Agents Sponsor Bills

RICHMOND—Three bills sponsored by the Virginia Association of Insurance Agents have been introduced in the legislature. Resident agents returning from the armed services would not be required to take a license examina-

tion. Under the 50% volume clause a license applicant would have to declare his intentions as to the amount of business he expects to write when the license is issued as well as when it is renewed. At present, the kind of business written is not disclosed until the end of the original license year. Another measure provides for adoption of the new New York standard fire policy in Virginia.

### Dr. Dyer Speaks in Memphis

MEMPHIS, TENN.—In an address on "The Insurance Movement and Social Security," sponsored by the Memphis Association of Life Underwriters and the Memphis Insurance Exchange, Dr. Gus W. Dyer, economist for the Southern Industrial Council, told a group of more than 400 that "we will have to wait and see if the government is able to keep its promises" in payments of social security benefits.

He was introduced by Commissioner McCormack.

### Roberts Agency Supervisor

Malcolm D. Roberts has been appointed agency supervisor of the Clyde T. Higginbotham & Co. general agency of Jacksonville, Fla. He has had more than 23 years' field experience in insurance business, having served in the Pennsylvania and Eastern Shore territories for 13 years with Hartford. He

will service south Florida territory with headquarters in Miami.

### Publishes Overseas Pictures

LITTLE ROCK—The "Arkansas Insurer," publication of the Arkansas Association of Insurance Agents, in its January issue starts a new feature with the printing of overseas pictures of association members and field men now in service outside the United States.

### NEWS BRIEFS

The Sam Lupfer agency, Kissimmee, Fla., recently celebrated its 25th anniversary. Secretary A. C. Eifer of the Florida Association of Insurance Agents and general and special agents of the companies represented in the agency attended.

Cecil Cleavenger, Ft. Smith, Ark., has been named by the Junior Chamber of Commerce there as the outstanding young man in Ft. Smith in 1943.

The Nashville Association of Insurance Women entertained the 33 new members, obtained in a membership drive just closed, at a tea. George W. Burroughs of the Vanderbilt University faculty addressed the January meeting on "The New Year and Our Place in It."

Comprehensive personal liability and residence and outside theft policies were discussed at a meeting of the Little Rock Association of Insurance Women.

## EASTERN STATES ACTIVITIES

### Sweetland Retires as Rating Chief

BOSTON — Benjamin M. Hermes will March 1 become executive manager of the New England Fire Insurance Rating Association, replacing Ralph Sweetland.

Mr. Sweetland completed 50 years with the New England Insurance Exchange and the Rating Association Jan. 15. He will continue as secretary of the association.

Mr. Hermes joined the New England Insurance Exchange in 1918 as an inspector, coming from the Wisconsin Rating Bureau. He has served as assistant manager of the schedule rating department, assistant secretary of the exchange and for five years has been manager of the Rating Association.

A testimonial dinner will be tendered Mr. Sweetland in Boston the evening of Feb. 10. Several hundred company officials and field men are expected to be present.

Employees of the Rating Association gathered in the Boston office to honor Mr. Sweetland, with Mr. Hermes as master of ceremonies and Percy C. Charnock, assistant manager, as speaker. Mr. Sweetland was presented a gift from the office employees, which was sealed and marked "not to be opened until Feb. 10." Mrs. Sweetland was presented 50 yellow roses.

### Hincks Heads Middlesex Mutual

Lieut. Col. John M. Hincks has been elected president of Middlesex Mutual of Middletown, Conn., succeeding the late N. Evans Davis. Col. Hincks being on leave of absence, A. A. Packard, a director, was named acting president. Governor Baldwin of Connecticut has been elected a director.

### Buck Phila. Society Head

Percy G. Buck, assistant secretary of Franklin Fire, was elected president of the Insurance Society of Philadelphia at the annual meeting. The annual dinner is to be held Feb. 14 with Governor Broughton of North Carolina as the speaker. Paul M. Fell is the retiring president. Vice-presidents are E. W. Helm, Jr., New Amsterdam Casualty, and K. C. Trotter, Fire Association.

William Thorpe of Knowlan, Thorpe & Co., continues as secretary and George T. Rowland of Wagner, Taylor Co., is treasurer.

Otho E. Lane, president of Fire Association, will be toastmaster at the dinner.

George T. Rowland, Wagner-Taylor Co., is general chairman of the dinner committee.

### Hear Bar Chairman in Newark

NEWARK—The Essex County Insurance Agents Association will hold a dinner-meeting here, Feb. 2, to which all field men and fire company executives will be invited. Edward Gaulkin, Newark attorney and chairman of the fire insurance committee of the New Jersey Bar Association, will discuss the new fire insurance policy recommendations made by his committee.

### Maryland Women's Course

BALTIMORE — The Insurance Women of Maryland will give a 20-hour course on fire insurance and allied lines, starting Feb. 1 which will embrace the New York standard fire policy which becomes effective in Maryland March 1. Instructors will be P. E. Keedy, Turner & Thomas; C. A. Hancock, F&G. Fire; F. Addison Fowler, Central of Baltimore. Classes will be held at 6:30 p. m. every Tuesday, except the second Tuesday of the month, in the cafeteria of the U. S. F. & G. building at Calvert and Redwood streets.

### NEWS BRIEFS

Vernon Salmon of Aetna Casualty addressed a meeting of the Syracuse Insurance Women's Association on claim adjustments.

E. E. Ehlers, assistant manager of Travelers, will address the Insurance Women of New Jersey in Newark Jan. 27 on "Sales Experience."

A James S. Kemper foundation scholarship to Northwestern University Traffic Institute was awarded to Sgt. Bernard J. Schmidt of the Baltimore police at a dinner of the Mutual Insurance Agency, Baltimore. This is one of a large number of such scholarships awarded by the Kemper foundation.

For information on individual or group sales training in casualty, surety lines, write National Underwriter.



## COAST

## Badger Slated for F.U.A.P. President

SAN FRANCISCO—H. F. Badger, executive secretary of the Pacific Board, has been nominated for president of the Fire Underwriters Association of the Pacific which will hold its annual meeting in San Francisco Mar. 8-9. Harry W. Nason of America Fore is slated for vice-president and H. L. Simpson, retired associate manager of Phoenix of Hartford, for secretary.



H. F. Badger

The program proposed will feature a number of timely papers on new processes and hazards as well as discussion of current trends in the business. Russell L. Countryman, Pacific Coast manager of Norwich Union, is now president.

"New Methods in Food Processing" will be discussed by Marshall K. Rouse, superintendent of the schedule department of the Pacific Board. He will include facts on dehydration hazards.

W. H. Schiffer, consulting research chemist for the Standard Oil Company, will speak on "High Octane Aviation Gasoline." This topic is to be presented because of the number of high value risks involving this process, and the "stepup" as a result of war requirements.

Ralph E. Bach of San Diego, president California Association of Insurance Agents is to present some of the wartime problems confronting agents.

## Canadian Fire and Indemnity Shift

Harold E. Pink, branch manager of Canadian Fire and Canadian Indemnity in San Francisco, will enter service Jan. 28. Joseph J. Martin, special agent, will become agency supervisor and relief manager during Mr. Pink's absence. Gordon Stewart, who has been in the Vancouver, B. C., office, will be transferred to San Francisco to take charge of the casualty department.

## Resume Fire Prevention Course

SAN FRANCISCO — A special course on fire prevention and protection conducted by M. K. Rouse, superintendent of the schedule department of the Pacific Board under the auspices of Stanford University, will be resumed Feb. 7.

## New Officers in Los Angeles

LOS ANGELES—The governing committee of the Insurance Exchange of Los Angeles has elected Louis W. Foster secretary and Harry Perk, Jr., treasurer.

Walter W. Bennett, educational director of the exchange, conducted the lecture on accident and health insurance in the N.A.I.A. course.

## Launch Seattle Bond Drive

SEATTLE—A special meeting of the King County Insurance Association is being held Thursday to launch its participation in the war bond drive. President Willard H. Scott has assigned the project to the public relations committee headed by Wayne C. Meek.

## Quiz Session in Pasadena

At its meeting Feb. 3 the Pasadena Association of Insurance Agents will have a "quiz" on fire coverages, conducted by A. M. Pfaller, special agent of London & Lancashire.

## IN THE CANADIAN FIELD

## Three New Forms Announced

VANCOUVER—The British Columbia Underwriters Association has released three new forms for insuring dwellings, buildings and contents. Form 1C replaces old forms 1A and 1B. While the cover, to all intents and purposes, is the same as that formerly provided under the old forms, the revision is mainly for purposes of clarity and the text has been revised.

The new form 1D is the same as 1C except the additional perils supplemental contract, water escape and revised war risk clause have been incorporated for convenience. Form 9C is for household furniture in other than seasonal dwellings, summer cottages, or in storage.

## Bliss Speaks in Ottawa

OTTAWA, ONT.—Survival of the agency system in fire and casualty insurance depends on the qualifications of the agents themselves, the abandonment of harmful rate cutting, and improved relations with the public. This statement was made to the Ottawa Fire & Casualty Insurance Agents Association by Frank D. Bliss, newly-elected president of the Ontario association. Mr. Bliss, supporting an agents' qualification plan now being mooted in Canada, predicted better qualified men in the insurance business of the future if agents keep up to date on policies and are at all times able to render service to which clients are entitled.

## Special Memberships Offered

TORONTO—With the idea that once an agent realizes the benefits of joining the Ontario Fire & Casualty Agents Association, it won't be difficult to get him to continue, President Frank D. Bliss announces that introductory memberships of \$3 for 1944 will be offered up to the annual meeting when the results will be analyzed. The regular membership fee is \$5.

Mr. Bliss would make no comment on the Ontario association's reply to the Canadian Inland Underwriters Association in answer to its request to reconsider the resolution regarding the personal property floater.

## Canada Hail Ratio 116

Figures on the operations of companies writing hail coverage on growing crops in Manitoba, and Saskatchewan and Alberta in 1943 showed that the aggregate loss ratio was 116, the highest in 30 years. Premiums totaled \$1,411,445, which was \$178,713 lower than 1942. Losses were \$1,637,675, \$561,656 more than in 1942.

## Authority Is Enlarged

The insurance department of the province of British Columbia has issued certificates of registry to Bankers & Shippers, Jersey, Lumbermen's, Pacific Fire, Merchants' Fire and Millers' National, to write water damage insurance in addition to the classes for which they are already registered.

## Ontario Losses Lower

The Ontario fire marshal reports that the total fire loss in the province for 1943 was \$9,738,488 as compared with \$10,466,601 in 1942, a decrease of \$728,113. The insurance loss last year was \$8,261,411, a decrease of \$662,201.

## Wilson to Winnipeg

R. F. Wilson, Toronto manager of the Federated Hardware Mutuals, has been appointed manager of the Winnipeg office, which opens Feb. 1 and will cover the territory from the head of the Great Lakes west.

## MARINE INSURANCE NEWS

## Unusual Marine Loss Is Settled by Compromise

An unusual marine insurance claim was closed recently when American marine insurers and London Lloyds composed their differences over the cause of the loss and paid \$60,000 the full amount of the coverage on the sea-going steel barge, Nisqually, to its owners, Harbor Transportation Co., Aberdeen, Wash.

The American companies, carrying the hull insurance, and Lloyds which underwrote the war risk, paid 55 and 45% of the loss, respectively.

The claim had been on the verge of litigation and dates from Dec. 8, 1941, the day after the attack on Pearl Harbor. The barge was in tow of the tug Storm King enroute from Honolulu to Palmyra Island when the tug's radio picked up radio warnings of hostile air and surface vessels in the vicinity. The speed of the tug was cut to two or three knots and finally, on Dec. 8, the Nisqually was cut adrift. Subsequent search disclosed no trace of the barge.

The hull underwriters contended the loss was caused by reasonable fear of hostile enemy attack, while the war risk carriers argued that cutting the towline was not necessarily the cause of the loss and that the barge might well be considered missing.

When it became apparent that the carriers had reached an impasse, Harbor Transportation Co. filed suits in superior court under both policies. Under the compromise Lloyds of London paid \$27,000 and the following American companies paid \$33,000, based on the

following schedule of hull coverage: Boston, \$28,500; Phoenix of Hartford, \$6,000; Utah Home, \$6,000; Niagara, \$6,000; British & Foreign, \$6,000; Standard Marine, \$5,000, and Home of New York, \$2,500.

D. K. MacDonald & Co., Seattle, were the hull brokers, while the war risk was placed by Johnson & Higgins at San Francisco.

## Jackson North British Marine Man in South

North British & Mercantile has appointed Henry Jackson special agent for inland marine and special lines throughout the entire southern department territory with headquarters in the Haas-Howell building, Atlanta. He succeeds George H. Brussel, who is now in the coast guard. Mr. Jackson has had 22 years experience in the south and southwest in marine lines.

## Seattle Marine Board Elects

The Seattle Board of Marine Underwriters at its annual meeting elected P. E. Jacoby, North America, as president to succeed Arthur R. Sayres of LaBow, Haynes Co.

James E. Moore, Home, is vice-president, and F. W. Perry, Yangtze, re-elected secretary.

## Opinion on In and Out Rules

The Kansas Association of Insurance Agents in its latest bulletin suggests that local boards that have the so-called in and out rule in their by-laws should refer such provisions to the National Association of Insurance Agents for an opinion in view of the action that was brought against the Beaumont Insurance Exchange in Texas.



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## Washington Eyes White Collar Man

(CONTINUED FROM PAGE 1)

Abram Flaxer, president State, County & Municipal Workers of America.

For Wednesday witnesses scheduled included George J. Richardson, International Association of Fire Fighters; Howard L. Russell, director American Public Welfare Association. Thursday's schedule included William H. Davis, chairman National War Labor Board; Kirby Mather, National War Time Conference; Chester Bowles, OPA administrator.

Friday's witnesses scheduled include William Powers, director customer and personnel relations American Bankers Association; Chairman Arthur Altmeier, Social Security Board; Lewis G. Hines, American Federation of Labor, while on Saturday, Director J. C. Capt of the Census Bureau was among those scheduled.

In opening the hearing, Pepper indicated that the committee is interested particularly in the status of the fixed income segment, estimated at from 15 to 20 million, including annuitants, pensioners, service men's dependents, and others.

Philip Murray urged stabilization of profits and prices as well as wages, and said the stabilization act has not been properly administered. Instead of

23.4% increase in cost of living, 1941 to 1943 as reported by the bureau of labor statistics, Murray said the increase has been more than double that amount. He submitted what he said were two typical questionnaires showing earnings and expenditures of two steel workers which he said demonstrated that during a three months period last fall they spent more than their pay, despite longer hours and increased wages and earnings. Expenditures figured included insurance premiums, social security, relief fund contribution in one case; medical care and supplies.

Murray urged adjustment of the wage policy to allow for increased cost of living for the benefit of white collar men. He said the plight of the white collar group is in part due to its lack of organization and suggested as solution of the problem, unionization of such workers.

Confronted by what economists classed as a "cloudy assignment" from the Pepper subcommittee, Dr. Hinrichs indicated that BLS had done the best it could in its study and report on costs and earnings. He defended the bureau's cost of living index figures which, he said, are based on statistics from 56 cities, instead of 34, as formerly. The

BLS index covers some 200 commodities.

Standing by its 23.4% figure on increased cost of living, Hinrichs estimated that since January, 1941, hourly earnings of factory workers have increased about 45%, including overtime pay; the average increase in earnings, considering all factors, has been about 30%, and gross weekly earnings have increased about 68½%. However, he admitted the latter is no longer a measure of "expendable income."

The income expendable has increased about 45% Hinrichs estimated and when workers went on a 48-hour per week schedule they received the wherewithal to buy bonds and pay taxes.

In a description of its cost of living index, submitted at the hearing, BLS explained that in December, 1942, it reduced the weight of automobile insurance and taxes in the index by 10%.

In a table showing relative importance of items priced in the cost of living index, accident and health insurance were given a rating of 1.2 in the percentage distribution of costs in the group index, March 15, 1943, and .2% in total cost of living index; compared to an average of 1.1% and .2%, respectively for 1935-39.

Senator Wherry, Nebraska, is carrying the banner of cross examination at the hearing, the subcommittee otherwise being loaded with New Dealers and the Progressive, Senator La Follette, Wisconsin. Wherry wants to know whether living costs or earnings increased more, with relation to each other. He is understood to be interested in possible insurance angles to the investigation.

Abram Flaxer submitted much material regarding incomes, costs, prices, etc. He stated that generally government employees are not covered by social security, nor do a majority of them have benefit of retirement systems. He submitted a number of case studies of employees of various governmental agencies, the budgets of whom include payments for life, fire or other insurance, also provisions for pensions, benevolent societies, hospitalization, medical care, etc. in varying amounts.

### No Insurance Witnesses

Insurance people, except, possibly, U. S. Chamber of Commerce insurance department representatives, were not expected to testify before the special committee as hearings opened Jan. 25. Randolph Feltus, specialist attached to the subcommittee, said that Prudential and Metropolitan Life had been contacted. They were reported to have indicated, however, that they doubted they had any material that would be helpful to the committee.

Mr. Feltus indicated that the bureau of labor statistics which had telegraphed about 50 insurance companies, might have information from them. He said the committee wants "the story of what is happening to people with fixed incomes, such as pensioners, people on annuities and others, who might be pinched with the rising cost of living; how badly they are being pinched, what is happening to them, what might be done about it."

It was stated that "we canvassed the biggest insurance companies."

"There is a problem in the insurance industry, itself, with their own employees," continued Mr. Feltus.

"They should have material relating to the public as a whole, relating to the question whether insurance is on the in-

crease, whether the white collar class is able to buy as much insurance as they used to."

### Organizations Identified

The International Association of Fire Fighters, for which G. J. Richardson was due to appear Wednesday, is reported to have the support of fire insurance interests in efforts to keep up the quality of fire protection, partly through adequate pay for firemen. The American Public Welfare Association, represented by H. L. Russell, is supporting social security measures.

## Texas Attorney General Not on Warpath

(CONTINUED FROM PAGE 3)

Alden A. Evans of Fort Worth, president of the Texas Association of Insurance Agents, said that that association and local exchanges would take immediate steps to eliminate any violations of the anti-trust laws in case there have been any violations. But, he said, he knew there had been no willful violations and that there would not be any. He expressed pleasure that Attorney General Sellers evidently wants to cooperate with the exchanges rather than prosecute and persecute them.

## Central Manufacturers Has New Office at Denver

Central Manufacturers Mutual has established a new branch office in the Gas & Electric building in Denver. It is headed by Clyde Roper as resident secretary of the Mountain States department. For the past six years he has been manager of the southeastern department at Atlanta. The new Atlanta manager is S. M. Waughman, formerly special agent in Indiana and Michigan.

J. D. Christy, formerly special agent in Minnesota, Iowa and Missouri, has been transferred to the western Ohio and West Virginia field.

Succeeding Mr. Christy in his former territory is Clarence Patterson, who for the past several years has been connected with Austin Mutual and before that operated a local agency at Sheldon, Ia.

National Union has declared a dividend of \$1.50 a share and an extra dividend of \$1, both payable Feb. 28 to stock of record Feb. 7.

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